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FBIS-LAT-91-088 *7 May 1991*

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Cuba

Havana Reports Ideological Conflict Within CPSU

FL0605153691 Havana Tele Rebelde Network in Spanish 1100 GMT 6 May 91

[Text] The Secretariat of the CPSU has warned of the threat of division of this organization amid the turmoil of ideological conflict and the appearance of internal strife. The statement from the CPSU Secretariat has reaffirmed the existence of anxiety due to the growth of confusion among communists, the infiltration of opportunistic ideas and slogans, populism and the decline of internal discipline.

Yuriy Prokop'yev, first secretary of the Communist Party of Moscow, reported that lately almost 150 grassroot organizations in the Soviet capital have not been able to withstand the attacks against them and have dissolved.

Carlos Rafael Rodriguez Opens ALIDE Conference

FL0605192591 Havana Tele Rebelde Network in Spanish 1700 GMT 6 May 91

[Text] The 21st regular meeting of the general assembly of the Latin American Association of Financial Institutions for Development, ALIDE, has started its work sessions in Havana. As a preamble to the meeting, Hector Rodriguez Llompart, president of the National Bank of Cuba, was nominated by the Venezuelan delegation and elected president of the 21st ALIDE meeting.

The opening speech was pronounced by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, after remarks made by Hector Rodriguez and Jesus Villa Mizar, top leader of the regional association.

[Begin Carlos Rafael Rodriguez recording] We know that there are some who dislike the presence of ALIDE in our country. Even though we are not the type to avoid confrontation, we want to assure you that you will find among us, without compromising our principles, a sincere wish to seek the best solution to our common interests together with the Latin American institutions. In addition to this pledge, we thank you for coming to our country and welcome you as esteemed brothers to work toward the same goal. [end recording]

Representatives of some 30 countries, development bank organizations, and other regional institutions are attending the Havana meeting. The 21st ALIDE meeting will continue at the Palace of Conventions until Thursday. Cuba will present various projects which will be analyzed in the talks scheduled in this type of international meeting.

Juan Escalona Visits Panmunjon, Departs DPRK

FL0605154891 Havana Tele Rebelde Network in Spanish 1300 GMT 6 May 91

[Text] PRENSA LATINA has reported from Pyongyang that Juan Escalona Reguera, president of the National Assembly of the People's Government of Cuba, is on his way back to Cuba.

Escalona characterized his 10-day stay in the DPRK, where he participated in the 85th Inter-Parliamentary Union Conference, as positive and fruitful. He described as impressive a tour of the 38th Parallel Pavilion in the Panmunjon border region where the United States has build a cement wall from one coast of the peninsula to the other.

The Cuban delegation, headed by Juan Escalona Reguera, met during their stay with DPRK President Kim Il-song and Yang Hyong-sop, chairman of the Supreme People's Assembly of the DPRK. The Cuban delegation also toured several other areas of interest.

Inter-Caribbean Affairs

UK Provides Grant for West Indian Commission

FL0605221091 Bridgetown CANA in English 1910 GMT 6 May 91

[Text] Bridgetown, Barbados, May 6, CANA—Britain is giving 100,000 pounds sterling to the West Indian Commission, established by Caribbean Community (Caricom) leaders to gather regional opinion on the path the community should take into the 21st century.

British Minister for Overseas Development Lynda Chalker confirmed approval of the funds at a meeting in London with Commission Chairman Sir Shridath Ramphal and other Commission members, the British High Commission said in a statement here.

The Barbados-based West Indian Commission started hearings last year and made a sweep of the Caribbean before moving on to hear submissions by West Indian nationals and groups based in Britain.

In addition to the direct contribution, Britain is providing financial and other assistance to the Commission through the Commonwealth Fund For Technical Cooperation (CFTC), the United Nations Development Programme (UNDP), and the Caribbean Development Bank, the British mission said.

Antigua and Barbuda

Bird Restates Opposition to OECS Political Unity

FL0605205591 Bridgetown CANA in English 1709 GMT 6 May 91

[Text] St. John's, Antigua, May 6, CANA—Prime Minister Vere Bird Monday restated Antigua's opposition to

any political union of the Organisation of Eastern Caribbean States (OECS). "Count Antigua out," Bird told a Labour Day rally organised by the government-affiliated Antigua Trades and Labour Union (AT&LU).

"We are not giving up our independence. We intend to use our independence to make us stronger," the 81-year-old former Labour leader said, stressing that "Antigua shall be governed from Antigua."

Bird said Antigua and Barbuda also opposed freedom of movement for OECS nationals within the sub-region region. "We must control the people coming to this country," he declared. The reiteration of Antigua's position came amid efforts by Dominica, St. Lucia, St. Vincent and the Grenadines, and Grenada to form a political union of the Windward Islands.

Some proponents regard the initiative as a stepping stone to an eventual political union of the seven-nation OECS. A St. Kitts-Nevis Government official Sunday suggested they too were not interested.

Grenada

Opposition Member Resigns From GULP

FL0605221191 Bridgetown CANA in English 2030 GMT 6 May 91

[Text] St. George's, Grenada, May 6, CANA—Opposition MP [Member of Parliament] Winston F. Frederick resigned Monday from the Grenada United Labour Party (GULP), becoming the third elected member to quit the party of former Prime Minister Sir Eric Gairy since general elections over a year ago. Frederick, in a letter to Sir Eric, said his resignation was "with immediate effect." Frederick's departure comes a month after Sir Eric had described him as "a recalcitrant school boy" at a public meeting.

Whereas the two previous GULP representatives crossed over to the ruling National Democratic Congress (NDC), well placed sources said Frederick was expected to remain on the opposition side as an independent. Frederick's resignation threatens the GULP's position as the official opposition in the House of Representatives. Opposition leader Winnifred Strachan is now the lone GULP representative among the five-member opposition.

The New National Party (NNP) has one representative in its leader Dr. Keith Mitchell, after its other elected representative Malcolm Antoine was sacked. Antoine now sits as an independent. The National Party (TNP) also has one representative in Ben Jones, the former prime minister and foreign minister.

Sir Eric told CANA [CARIBBEAN NEWS AGENCY] he had no immediate comment on Frederick's resignation but would issue a statement soon.

Haiti

Demonstration Reported in Grand Goave 4 May

FL0705901991 Port-au-Prince Radio Antilles Internationales in French 1145 GMT 6 May 91

[Report by correspondent Paul Jean-Mario in Grand Goave]

[Excerpts] [passage omitted] Several hundred people were out in the streets on Saturday, 4 May in response to the demonstration watchword which several popular organizations, quarters committees, and political parties in Grand Goave initiated. The demonstration was against the high cost of living and in favor of reforms in the public administration of Grand Goave City. The people took to the streets and marched through the city. They went to National Highway No. 2 which they blocked with barricades made of stones and burning objects. They even managed to block the road with a red and blue flag, the national flag. Many slogans were written on placards for the demonstration. These included for example: "Hunger is not sweet;" "An end must be put to the high cost of living;" "Distribution of state-administered lands to the peasants;" "Literacy must be the first tool in the hands of the popular organizations;" and "The autonomy of Grand Goave regarding electricity."

Several prominent themes were demonstrated throughout the whole journey including the arrest and the trial of Commander Weber Milord quartered in the Petit Goave Barracks and the trial of Commander Medilus Derisme alias "Danger" who the Petit Goave Provisional government has released.

Many abuses were hurled at the powerful foreign countries, especially the United States of America which does not want Haiti to move forward on the road to change and democracy, according to the demonstrators. One of the officials who called for the demonstration told us that it is only the beginning of a mobilization which will last as long as the government will not enter into discussions with them.

We must tell you that since around 0900 all public vehicles serving Grand Goave, Petit Goave, Miragoane, Les Cayes, Jeremie, and so forth have been blocked in Grand Goave. [passage omitted] This large mobilization which was launched on 3 May was undertaken by the KOD, Democratic Organization Coordination [Kodinasyon Oganizasyon Demokratik], the As It Must Cooperative Action Group, the National Front for Change and Democracy [FNCD] in Grand Goave, and all the quarters committees. We are following the situation and we will keep you informed.

Aristide on Commerce Ministry, High Prices

FL0605201091 Port-au-Prince Radio Antilles Internationales in French 1145 GMT 6 May

[Italicized passages in Creole]

[Excerpt] Commerce Minister Smarck Michel has been sharply criticized on a number of occasions by popular organizations as well as the people in general. Smarck Michel was obliged to intervene directly on several occasions during Radio Antilles Internationales' "Free Forum" program. On these occasions, Michel tried to justify himself to the people who did not understand why the prices of basic staple items have, to the contrary, increased.

Actually, there has not been a solution to the problem of the cost of living. Faced with the situation, the people have made the incompetence of the commerce minister responsible and ask for his dismissal. This opinion is shared by several popular organizations which think that the choice of Smarck Michel for the Commerce Ministry was not made for the good of the country.

President Aristide said he is aware of the problem which is sapping the people. On that point, the head of state said he is going to work to find a solution as soon as possible. Let us listen to the president of the Republic of Haiti, Jean-Bertrand Aristide.

[Begin recording]*[Word indistinct] I listen to all that is said on "Free Forum" and also on the "Sezonad Kozman" program [daily Radio Cacique free forum]. I address the commerce matter. I see that the sickness hurts you. I remember that I told you after the appointment of the ministers: Let us wait and see each minister's results and from the results...[changes thought] Then if we do not agree, we will say we do not agree. When I give my word, I am anxious to keep it. The more I listen to you, the more I realize that you do not agree with the commerce minister. I am listening. I say today that the Commerce Ministry is sick. The commerce minister knows about the sickness. The whole cabinet and I know about it. There is a final medicine that we are trying for the patient, the Commerce Ministry. If we see that it becomes healthy shortly, we will continue. If we see that despite everything it grows weaker instead of getting healthy, I say well, then, the doctor will not change the medicine but will make the change you have asked to be made. Thank you for the way you are helping democracy to develop. I give a democratic embrace to all Haitian people who have shown enough patience in the face of hunger, in light of rice being very expensive, in light of the increasing prices, and the resulting black market. We will keep holding hands so that between now and the days to come we can wait and see whether the patient will recover or will grow weaker. This is what I wanted to share with you concerning the demand that you have made so we can remain faithful at the same time to both what we say and to democracy which must grow up. The last thing I will say—I have been given only three minutes—is to address the literacy matter. Well, it is linked to hunger. We cannot forget that an empty stomach has no ears. When we speak of literacy, we cannot put the hunger problem aside. The people are hungry. They must eat and in any case they must eat. Eating is not negotiable* [end recording] [passage omitted]

Jamaica

Itinerary for Manley U.S. Visit Released

FL0605160491 Bridgetown CANA in English 2056 GMT 4 May 91

[Text] Kingston, Jamaica, May 4, CANA—Jamaica Prime Minister Michael Manley flies to Washington on May 15 to hold discussions on a wide range of issues with US President George Bush, his office reported Saturday.

The two leaders met a year ago during Manley's official visit to Washington.

The talks will focus on issues including the participation by Jamaica and the Caribbean Community (Caricom) in the US President's Enterprise for the Americas Initiative, bilateral debt relief and the adverse effects there could be on economic growth if funds earmarked for Jamaica and other Caribbean countries are divested to other parts of the world, Jamaica House said.

Manley will leave Jamaica on May 10 for New York where he will follow up on initiatives which were pursued with US investors during his last visit.

On May 12, he will travel to Columbus, Ohio, where he will receive the honorary degree of doctor of letters from Capitol University.

Next, he travels to Washington where he will hold two days of meetings with members of Congress and senior US officials.

He will leave Washington on May 22 for Miami where he will have a medical check-up at the Miami Heart Institute. He was hospitalised at the institute last year for pneumonia.

The prime minister will be accompanied on his visit by a number of senior government officials including Foreign Affairs Minister Senator David Coore and the minister of state in the Office of the Prime Minister, Dr. Peter Phillips.

Manley who was ordered to rest last week because of a throat infection attended a banquet Friday night in honour of Jamaican sprint queen Merlene Ottey.

He is expected to resume official duties on Monday.

Trinidad and Tobago

Prime Minister Hosts Muslim Community Dinner

FL0605163591 Bridgetown CANA in English 1329 GMT 6 May 91

[Text] Port-of-Spain, Trinidad, May 6, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson reaffirmed his government's commitment to freedom and equality of treatment and opportunity for all citizens, when he hosted a weekend dinner at his residence

for about 400 representatives of the Muslim community, according to press reports here.

The function marked the Muslim festival Eid-ul-Fitr.

THE GUARDIAN newspaper quoted the prime minister as saying that his government "is committed to establishing communication and rapport with all sectors of the national community."

Robinson added: "as prime minister, my commitment is to serve this nation and to ensure that no discrimination is practised against any citizen or group under any circumstances.

"I am committed to the welfare of the children, the old and sick. My government's commitment to free speech, free enterprise, democracy and the rule of law has always met with the approval of your own community."

The prime minister commended the Muslim community for its contribution to national unity.

He said: "The Muslims have shown by their unity, and particularly by their demonstration here tonight, that they are the vanguard of creating a stable and secure environment for ourselves and generations yet to come.

"Notwithstanding the events of July last year, our beloved country must heal all the fractures that may have surfaced during that period. It is a sign of our maturity as a country that we can move forward learning from past mistakes."

Last July 27 a group of radical Muslims, the Jamaat-al-Muslimeen, attempted to overthrow the government by force of arms. Several people were killed and the prime minister was wounded in the episode, along with other members of Parliament who were also held hostage for six days.

Staffers at the country's one television station were also held hostage but were subsequently freed when the group surrendered.

El Salvador

FMLN Establishes Conditions for Cease-Fire

PA0705033091 Paris AFP in Spanish 0235 GMT 7 May 91

[Text] San Salvador, 6 May (AFP)—The Salvadoran guerrillas said today they will not surrender their weapons and will remain in their positions until President Alfredo Cristiani's government agrees to negotiate the country's demilitarization.

In a document released to the press, the Farabundo Marti National Liberation Front (FMLN) warns that "until the negotiations conclude, a cease-fire must not presuppose the disarming of either side."

The document, which sums up the FMLN's concept of the dialogue process, which will continue in the second half of May, maintains that if neither of the sides has achieved a military victory over the other, then neither of them can attempt to seize the other's weapons at the negotiating table.

"The FMLN has proposed a cease-fire that will freeze the war through separating the conflicting parties and the assemblage of their military forces, while promoting the development of open FMLN political activity."

The insurgents add: "The cease-fire must not grant military or political advantages to either side."

The FMLN says that by persisting throughout more than 10 years of war, it has managed to establish 26 rural fronts and three urban fronts in 12 of the country's 14 departments, and that the Armed Forces have left behind any possibility of establishing full control of large areas of the country.

The guerrillas calculate that "90 percent of the country" has become a battle front, including the capital, and that almost 60 of the 262 municipalities are in areas under rebel control or disputed areas.

Meanwhile, the FMLN maintains that both sides must suspend all pro-military propaganda, suppress statements intended to proclaim their victory in the war, and establish the concept of victory for all Salvadorans starting with peace and the society's reunification.

The FMLN also agrees with the government's gradual restoration of its state functions, as long as the guerrillas are allowed to conduct their political activities free of hindrances.

With regard to public security, the FMLN establishes as a condition for the cease-fire that its members be the rank and file in the reorganization of the new civil police in areas under rebel control, and that residents be the rank and file in disputed areas.

To guarantee the cease-fire in the cities and make more room for democratization, the FMLN suggests that there be a total withdrawal of military forces from urban areas or that their presence be reduced to a minimum.

Prosecutors Accuse High Command in Jesuit Case

PA0705131691 San Salvador Canal Doce Television in Spanish 0305 GMT 7 May 91

[Text] Former prosecutors Sidney Blanco and Henry Campos today took sides over the Jesuit murder trial: they filed formal charges against the Armed Forces High Command. According to the private prosecutors, the High Command is directly responsible for the massacre or it was the result of a collective criminal enterprise created within the Armed Forces.

Blanco and Campos presented to the 4th Criminal Court the documents empowering them as private prosecutors in the case of the Jesuits, a gap that had been left open in the trial. The prosecutors gave the magistrate a document accusing the Armed Forces of being accessories to and accomplices in the crime. In the document, which sums up the facts, the prosecutors propose two hypotheses: one, that the massacre was authorized by the High Command; two, that there is a collective association for criminal activity in the Army, which plotted the murders.

[Begin recording] [Unidentified person] In what would constitute a crime for failure to take action, the High Command is responsible for an authorized massacre. There is a collective association for criminal purposes in the Armed Forces.

[Unidentified reporter] What grounds do you have for accusing the High Command as responsible for failure to take action?

[Unidentified person] In both cases, the grounds are the existing evidence, most of which is made up of what is known as presumptions in our legislation and international law. These presumptions are precise and corresponding clues. In addition, there are also poor justification clues. These are the answers of the many persons questioned in this trial. [end recording]

Jesuit priest Javier Istape said that the idea is not only to identify the masterminds, but to check the impunity with which these groups operate within the Army.

[Begin Istape recording] We cannot let them go on massacring people. This case has overflowed the glass, so to speak. This impunity cannot be permitted to continue. [end recording]

Guatemala

Peace Talks Slated for Mexico City 25-29 May

PA0705044791 Hamburg DPA in Spanish 0014 GMT 7 May 91

[Text] Guatemala City, 6 May (DPA)—Guatemalan Foreign Relations Minister Alvaro Arzu announced

today that Mexico will once again be the venue for the second round of talks between the Guatemalan Government and the Guatemalan National Revolutionary Unity (URNG). The URNG comprises four guerrilla factions currently operating in the Central American country.

He said that after the required consultations with the Mexican Government it was agreed that this new meeting, aimed at attaining peace in Guatemala, should take place in Mexico City.

Guatemala's National Reconciliation Commission (CNR), which coordinates the peace negotiations, announced that the second round of talks will take place between 25 and 29 May, according to what was agreed on during the first round of talks that took place in Mexico City between 24 and 26 April.

During that first round of talks, both the government delegation, headed by Presidential Secretary General Manuel Conde, and CNR President Msgr Rodolfo Quezada Toruno signed the so-called Mexico Declaration dealing with procedures and the agenda for the next round of talks.

Columnist Responds To U.S. Diplomat's Questions

PA0605140591 Guatemala City EL GRAFICO in Spanish 30 Apr 91 p 9

[From the "Reasons" column by Carlos Rafael Soto: "Behind the News"]

[Text] On 25 April I stated my opinion on what the Bush administration wants to do in Guatemala through the so-called "peace dialogue." I said that under the current circumstances, with the fall of authoritarian socialism and the burying of the Vietnam failure under the Baghdad massacre, the United States finds local armies not only unnecessary, but also irksome because they are a stumbling block in the path to the "democratic" model that State Department schemers have designed for Latin America. I also said that the "United States wants Guatemala to move increasingly toward a more neocolonialistic status until we become some sort of Panama, where it is not necessary to have an army because that is what the gringos are there for—to impose order whenever they deem it necessary."

This commentary evoked a response from [U.S.] Embassy Press Attache James Dickmeyer. The response—a card accompanied by a copy of the page of the newspaper on which my 25 April column was published—states: "Carlos, wouldn't a better example be Costa Rica? How many times have we invaded there since they disbanded their army?" [preceding quoted passage in English] That is: "Carlos, would not a better example be Costa Rica? How many times have we invaded there since they disbanded their army?"

Some of the answers and conclusions these two questions could evoke are:

1. No. Costa Rica would not serve as a better example, among other reasons, because Panama is a country invented by the United States and more specifically by Teddy Roosevelt, who contributed to its separation from Colombia. Costa Rica, on the contrary, attained its current status through a revolutionary movement. Panama is an impoverished colony that has a very high level of malnutrition and insalubrity and where political and economic life depends on branch banks and on U.S. military bases. Costa Rica is an independent country that has a good standard of living and that has made progress by itself. The "demilitarization" of Costa Rica is relative, if one considers the size of its police force. The United States has not invaded it militarily, (Should we be thankful?) but it has financially, and the IMF imposed measures have created many problems in that country. So, Costa Rica is not a good example, dear Jim. These are two completely different cases.

2. It should be recalled that you invaded the Dominican Republic because you could not accept the will of the Dominican people in favor of Juan Bosch, whom you viewed as a dangerous communist. You sent your Marines and found Colonel Elias Wessin, the Castillo Armas [former president of Guatemala] of the Dominican Republic. You also invaded Grenada because you did not like the government's tendency. You financed the boycott against Salvador Allende and the actions that led to the overthrow of the Popular Unity government in Chile. Whenever you do not like something, you send the Marines. At this point you want docile democracies having no military resources of their own with which to defend themselves. Why have you now decided that armies are antidemocratic? What about your Army? Can a uniform (or cap or tie) serve to determine what is democratic and what is antidemocratic?

3. What does Dickmeyer mean when he boasts that his country has not invaded Costa Rica despite the fact that it dismantled its army? If in addition to this we recall that Colin Powell, the U.S. Armed Forces chief of staff, has affirmed that if the Salvadorans do not hurry up with the peace dialogue, the United States could invade them, we can surmise that this is a confirmation of a policy that some want to impose on us without consulting us. I do not know what the Guatemalan military and the Guatemalan people think about this, but based on what I have seen and endured for years, I can affirm that assassins, repressors, and torturers can be found among those who wear military uniforms, as well as among civilians. There was "General" Chupina [not further identified], but there was also Donaldo Alvarado Ruiz [not further identified], an attorney. We say general within quotation marks because his promotion to this rank was illegal and I do not understand why the High Command has not reviewed this. So the determining factor is not the clothes. It is the concept. However, we got the message: Panama was invaded because the National Guard had become a problem; Costa Rica has not been invaded because it does not have an Army; and, what about us?

*** Economist Recommends Negotiations With IMF**

91CA0107B Guatemala City SIGLO VEINTIUNO in Spanish 18 Mar 91 p 17

[Report of interview with Gabriel Castellanos, economist, former International Monetary Fund, IMF, director, former official of the Bank of Guatemala, Banguat; place and date not given]

[Text] "We must not fear the International Monetary Fund [IMF]. On the contrary, we must negotiate with its specialists for acceptance of the structural readjustment plan that has been worked out in Guatemala, and I believe that we have a good team in the executive branch's economic sector to do just this," said economist Gabriel Castellanos, former IMF director and former official of the Bank of Guatemala [Banguat].

"True, the specialists have a given frame of reference for their mission of analyzing the country's economic and financial situation," he said, "but their recommendations will be limited to general lines of approach. The Fund must not be given a greater margin of freedom than is necessary, because its members love to prescribe economic and financial measures, to the extent they are allowed to by a country's authorities.

"I have no doubt that the specialists will draw up a list of goals to be attained. They will probably begin this list by addressing first the monetization of debt, then the fiscal deficit, and finally the balance of payments. But these goals must be negotiated with peripheral vision as to what the country can be expected to accomplish; that is, from a realistic viewpoint," said Castellanos.

He indicated that the Administration has the needed expertise to negotiate with the IMF, and that the exchange-, monetary-, and credit-control policy plan outlined by the President of Banguat, Federico Linares, stands a good chance of being accepted by the Fund. The plan's fundamental objective of reducing inflation enjoys popular support, and unless it is attained—he said—the country will continue being destabilized at the expense of its middle class and its most impoverished groups. The fiscal aspect of the plan is still not known, but could consist essentially of raising revenues.

"The IMF may recommend that revenue be augmented by increasing the rate of taxation," he continued, "given that Guatemala's is very low as compared to those of other countries." But in general, "They must allow the country its freedom to decide how it can best increase its revenue—whether through administrative measures or increased taxation."

Castellanos said that the IMF has made its policy more flexible with respect to structural readjustment programs, in that, beyond correcting monetary problems and reducing inflation, it is careful to not stifle a country's economic growth, since doing so curtails the country's ability to overcome the financial crisis confronting it.

As to the possibility that implementation of the stabilization program might result in a social cost to Guatemalans of reduced economic resources, Castellanos acknowledged that it could indeed produce such a result, but he said that the lack of a long-range plan will also have consequences of that type.

As an example, he cited inflation as a phenomenon whose growth goes completely out of control in the absence of an economic readjustment plan, greatly increasing destabilization.

"Various stabilization programs have been implemented in Guatemala in recent years at a social cost to the lower-income sector of Guatemalans," Gabriel Castellanos pointed out. "The problem has been that these actions have not been followed up, with the result that a growing and more robust economy has not been achieved. I believe there must now be a clear-cut decision by the government to stick to it, to continue with the program, and to maintain it to the very end, without letting it fall by the wayside."

"The IMF is not an agency dedicated to promoting growth," Castellanos said in conclusion. "Instead, it is more concerned with promoting stabilization programs, since that condition is necessary to the ability of a country's economy to grow. Furthermore, once the IMF has accepted the stabilization plan, it will be easier to negotiate debt restructuring.

*** Dissolution of Six Political Parties Viewed**

91CA0107E Guatemala City PRENSA LIBRE in Spanish 2 Apr 91 pp 6, 42

[Article by Alvaro Galvez Mis]

[Text] Six political parties have been dissolved by the Citizens Register as a result of their not having obtained 4 percent of the votes in the latest general elections, according to official sources.

The dissolved parties are: The National Renewal Party [PNR], which obtained barely 11,049 votes; the Democratic Party [PD], with only 6,449 votes; the Democratic Party of National Cooperation [PDCN], with 32,311 votes; the Emerging Movement of Harmony [MEC], 16,748 votes; the United Revolutionary Front [FUR], 7,954 votes; and the Organized Nationalist Unit [UNO], which participated only with House of Deputies and mayoralty candidates.

The Revolutionary Party [PR] and the APS-PSD [Socialist Popular Action-Democratic Socialist Party] coalition escaped the same fate, in that, they each obtained one House of Deputies seat, which, according to the law permits them to continue in the political arena. The PR's House seat—one of Chiquimula's—was won by its candidate, lawyer Obdulio Chinchilla Vega, and the APS-PSD coalition's by its candidate Dr. Mario Solorzano, who is currently the minister of labor and social security.

The PNR emerged as a political organization in the midst of legal controversy, when a group of lawyer Alejandro Maldonado Aguirre's followers succeeded in wresting the leadership of the organization from lawyer Danilo Roca Barillas. It then engaged in unsuccessful campaigns backing Maldonado Aguirre's presidential candidacy. But in the last elections it failed to obtain even as little as one House seat, which would have prevented its dissolution.

The PNR's last general secretary, lawyer Renan Quinonez Sagastume, said recently that he was tired of taking part in politics, and for this reason would not reorganize the party, which had a very brief life in the country's electoral development. The leader of the frustrated party, lawyer Maldonado Aguirre, has continued as a Constitutional Court [CC] magistrate, representing the executive branch; but it is said that he will be leaving for Mexico shortly, as Guatemala's ambassador there.

Another group that enjoyed popularity for a time was the FUR, which was founded by the late lawyer and former mayor of Guatemala City, Manuel Colom Argueta, and whose principal officials had to go into exile because of death threats, while others, including Colom Argueta, were murdered, gunned down, allegedly by ultra-rightist groups.

In the latest general elections, the FUR tried to reorganize under the leadership of its presidential candidate, lawyer and former Minister of the Economy Leonel Hernandez Cardona; but the voters turned their backs on the Front and relegated it to oblivion. Hernandez told reporters that the Front had had to work without funds in a hard-fought campaign in which the other parties had spent millions. Be that as it may, the fact is that its demise is now definitive, and that what remains is but the image of the late but remembered lawyer Colom Argueta.

The MEC was founded in 1984 by former Minister of Communications Colonel Francisco Luis Gordillo Martinez. In the last elections, it backed the candidacy of the former head of state, General Manuel Benedicto Lucas Garcia, who obtained only 16,748 votes. Gordillo joined the party in power and is currently the departmental governor; but his former organization has journeyed to "a better life."

Lawyer and Supreme Electoral Board [TSE] Magistrate Mario Roberto Guerra Roldan, in an interview with respect to these dissolved organizations, said that the Law of Elections and Political Parties forbids their being reorganized under the same identity and symbols. "We believe," he said, "that every organization is like a human being: It is born, it grows, and dies. It cannot be reborn, according to the spirit of the Law."

"Thus, the parties that did not obtain 4 percent of the votes must be dissolved definitively, and no other group, from now on, may use the symbols of the dissolved entities," said Guerra Roldan. "This fact does not allow for any questions," the lawyer and magistrate emphasized.

* Crime, Human Rights Violations Unabated

91CA0107C Guatemala City EL GRAFICO in Spanish 27 Mar 91 p 9

[Commentary by columnist Carlos Rafael Soto]

[Excerpt] [passage omitted] The agenda to be addressed by those participating in the meetings of the so-called Social Pact must include, as a fundamental topic demanding attention, the state of total insecurity and climate of terror that reigns throughout the national territory, and the urgent need to normalize the operation of the civilian security organizations.

A quick rundown of the principal acts of violence that have occurred in the last six days yields this macabre balance: 1) In Rio Hondo, Zacapa, two farmhands kidnapped and murdered; 2) in Villa Nueva, a pharmacist kidnapped and murdered; 3) in Zone 6 of the capital, two farmhands, natives of San Vicente Pacaya, kidnapped; 4) in Mariscal, Zone 11 of the capital, an elderly woman murdered inside of her shop; 5) in San Pedro Jocopilas, two farmhands, members of the Council of Runujel Junam Ethnic Communities [CERJ], kidnapped and beheaded; 6) in Villa Nueva, two high school students stabbed; 7) two Culture Ministry officials riddled with bullets and near death; 8) a woman official of the Culture Ministry kidnapped; 9) three minors raped in front of 30 other passengers with whom they were traveling aboard a rural bus; 10) more than 60 kilometers of road, between Retalhuleu and Quetzaltenango strewn with the remains of one or more murder victims. Added to these are the 41 extrajudicial executions (the euphemism used to indicate assassinations) between 1 January and 13 March; and the 160 cases of violations of human rights, committed during January and February.

The perpetrators of acts such as the murder of two persons, shot by individuals riding in two cars, in Zone 3 of the capital, have been termed "insane" by some sectors of the press. But a connecting thread runs through this case and the others listed above, a common characteristic: The intent to sow terror among the citizenry and reveal the incapability of those who head the civil security structure. What other reason could there be for strewing the remains of one or more persons along the road between Reu and Quetzaltenango? Why the seemingly "insane" shooting from cars that have not yet been captured? Why the brutality against farmhands, union officials, and students?

If we attribute all of these acts to some supposed political design, we must accept either the hypothesis of a plan to destabilize the government or at least those responsible for civil security, or the hypothesis of acts committed by groups embedded in the government, to discourage and frighten the critics of the party in power (farmhands, union officials, students). But if we view them purely and

simply from the standpoint of civil rights, we must conclude, as the sole valid hypothesis, that the authorities of the interior and of the Police are showing how totally incapable they are of putting a stop to this brutal escalation of violence.

Honduras

Five Peasants Killed in Land Eviction

PA0605170191 Tegucigalpa EL HERALDO in Spanish 4 May 91 pp 28, 29

[Report by Juan Alfaro Posadas]

[Text] Arizona, Atlantida Department—Five members of the peasant group "El Astillero" of the Agua Caliente village of this juridiction were killed and seven others were wounded when a squad of the 4th Infantry Battalion based in the city of La Ceiba tried to evict them without a judicial order.

Those killed were identified as Felipe Huete, (55); Ciriaco Huete, (30), son of the first; Martin Huete (31); Carlos Salomon Gonzalez (24); and Cruz Chacon Perez (49). Those wounded were Juan Jose Sagastume Ramirez (36); Hernan Horacio Munoz (31); Mercedes Lopez Lopez (45); Jose Antonio Martinez (27); Valentin Huete (24); Elias Tome (28); and Eulalio Alvarado (32).

Honduran Red Cross rescue teams quickly transferred four of the peasants to the Tela integrated hospital. The other three, who were described as being in "delicate" condition, were taken to the Doctor Mario Catarino Rivas Northwestern Regional Hospital in San Pedro Sula.

The crime occurred at 0500 yesterday morning, one hour after the military convoy arrived with Colonel Ascencio Leonel Galindo, who lays claim to 30 manzanas of land, according to eyewitnesses. The lands, which are pastures, had been invaded the previous Thursday morning by 18 members of "El Astillero" peasant group affiliated to the National Association of Honduran Peasants (ANACH).

All those killed were natives of the southern region, except for Chacon Perez, who was from Sesenti, Ocotepeque. He did not belong to that peasant group and was only supporting his companions.

EL HERALDO listened to reports by several eyewitnesses, including Rafael Escobar, member of the "3 October" peasant group of the ANACH; Teodoro Aguilera Gomez, member of "El Astillero" group; and Leonidas Morales, affiliated with the "Santa Maria Number 1" settlement. All said that the massacre was carried out by Army members jointly with Francisco Lopez, alias "Chico," and another man known only by the nickname, "Pelo de Caca." The last two civilians belonged to the "security guards" of Col. Galindo in the disputed lands, according to laborers who were interviewed.

They said that the peasants of "El Astillero" group, who were supported by peasants from other settlements of nearby villages, were unarmed, except for several sticks and their machetes, which they use to work.

"The Army members and henchmen of Col. Galindo killed our companions in cold blood, shooting them with .12-gauge shotguns, .38-caliber guns, and M-16 and FAL rifles, among other weapons," they said.

Peasant Morales, who was supporting his companions, said: "We had to crawl out of there to avoid being hit. As you can see, I have scratches on my chest. What happened is nothing but a human manhunt against humble and innocent persons; it is horrible to talk about it."

After noting that the first shots in the air were fired throughout the day Thursday by guards under Col. Galindo's command, the peasants said that the butler "Chico" Lopez was in charge of "killing them off when our companions fell to the ground." They added that after killing five peasants and wounding at least seven more, "the soldiers took off their olive drab shirts and kept on only their white undershirts and trousers, which were a giveaway."

For his part, peasant Jose Luis Acosta, who is an ANACH leader, said that Martin Huete, while he was in a state of agony on the ground, told the butler: "Come on Chico, please don't kill me." Francisco Lopez, however, responded: "You are still speaking, so take this," and he fired several shots to finish him off with his shotgun.

At around 0830 yesterday morning, several days after the tragedy had occurred, Lieutenant Bello Rosa Calix, Public Security Force (FSP) delegate of Tela; and Francis Castro, municipal judge, arrived at the scene of the incident to identify the bodies.

Captain Cesar Obdulio Lopez Tinoco, who headed a contingent of the FSP 1st Regional Command based in La Ceiba, arrived minutes later to investigate the incident and to maintain law and order. Members of a unit of the 4th Infantry Battalion of Tela arrived later for the same purpose. They were accompanied by Juan Ramon Martinez, executive director of the National Agrarian Institute (INA), and other officials.

Capt. Lopez Tinoco said that, according to the investigations he conducted, those responsible for the attack are "civilians," but now they seek to blame military authorities," as is generally the case.

Although he did not produce evidence, he said that at the scene of the incidents they found shells for .38-caliber guns and 12-gauge shotguns, and not those of automatic weapons, which are the type used by the Armed Forces.

Victor Manuel Mejia, the INA regional director in La Ceiba, said the land that the peasants of "El Astillero" had recovered belongs to them, because they have the corresponding ownership title issued by the INA in 1975.

Mejia, who also visited the site of the tragedy, said that none of those responsible for this criminal action has been arrested, but he demanded that the authorities impose the penalties established by law.

Mejia said that, in order to settle the land dispute, the authorities are legally processing the file that is being held by the INA regional offices in La Ceiba. "The problem will be resolved, be it in favor of the peasants or Col. Galindo," reported Mejia, adding that this dispute will probably be decided by the National Agrarian Council (CNA), which will have the last word.

Meanwhile, INA Executive Director Juan Ramon Martinez said that this tragedy "makes an agrarian process, which we had managed to maintain as smoothly as possible, become violent." He also expressed regret over the death of the peasants, which brings sorrow to the Honduran peasant movement.

Martinez, who before becoming INA director had close relations with the peasants, visited the peasants who were rapidly transferred to the Tela Hospital. "I am very sorry for what has happened," said Martinez, adding that he had discussed this incident with Colonel Oscar Fuentes Delgado, 4th Infantry Battalion commander.

Martinez said that, according to the military version, "there is apparently a group of masked armed people who are currently being chased by the Army. These people fired on the group of people who had peacefully taken over the land and who did not respond."

Martinez added: "First there were apparently shots fired in the air; later, the perpetrators, positioned behind bamboo trees, fired directly at the victims, as you already know." He added that according to the same military version, the authorities "are at this moment chasing the butler who was in charge of the estate and another person with a strange nickname. No arrests have been made yet."

When asked how he was going to resolve this conflict, Martinez replied: "As far as I am concerned, we will enforce the law. This regrettable incident cannot be corrected, but we will enforce the law as we understand it should be enforced, after the other party, through a lawyer, got in the way of things, making our task more difficult."

Martinez admitted that the process of the agrarian reform is not working as effectively as it should because the lawyers have incorporated the civil cases into an issue that should be much more expeditious. He added: "Then, as a result of the depositions that are being made by the lawyers before the INA, it becomes difficult for us to proceed with the speed that the cases merit."

Martinez pointed out that "when we disagree with their depositions, the lawyers take us before the CNA or the Supreme Court of Justice. One thing is the INA's willingness to resolve the cases, and another is the legal obstacles that the contending parties present, which hinder the progress of and the solution to the problems."

Regarding the killing of the "El Astillero" peasants, various journalists tried to interview Lieutenant Belin Rosa Calixto, FSP delegate in Tela, who categorically said that he "could not make any comments" and later locked up his office.

Meanwhile, Colonel Julio Armando Pavon Rodriguez, chief of the 105th Infantry Brigade based in San Pedro Sula, said that "I have not yet received the report on this incident, because of the lack of communication with that area." Col. Pavon Rodriguez added that he is waiting to receive the reports from his subordinates and INA Executive Director Juan Ramon Martinez.

Government Communique

PA0605170391 Tegucigalpa Cadena Audio Video in Spanish 1214 GMT 6 May 91

["Official communique" issued by the Public Relations Office of the Presidency of the Republic in Tegucigalpa on 6 May—live]

[Text] The government of the Republic, in view of the tragic incidents that occurred 3 May in Agua Caliente, Arizona Municipality, Atlantica Department, when peasants of El Astillero group affiliated with the National Association of Honduran Peasants [ANACH] were killed and others were seriously wounded as a result of a confrontation triggered by a dispute over a piece of land in the village mentioned above, advises the Honduran people in general and the peasant associations in particular of the following:

1. Immediately after learning of the incidents, the president of the republic commissioned Juan Ramon Martinez, executive director of the National Agrarian Institute, to visit the scene of the incident to initiate pertinent investigations to complement the separate investigation being conducted by the Honduran Armed Forces in a special commission of the National Congress.

2. The executive director and secretary general of the National Agrarian Institute, Luis Pineda Batres, along with other officials of the regional agrarian office for the Atlantic Coast, confirmed that as a result of the confrontation, peasants Martin Huete, Felipe Huete, Ciriaco Huete, Carlos Arjon Gonzalez, and Bruce Chacon were killed. Juan Sagastume Rodriguez, Hernan Orozco Munoz, Valentin Huete, Jose Antonio Martinez, Eulalio Alvarado Aguilar, and Elias Tome were wounded.

3. The government announces that a crime of this nature cannot go unpunished and consequently reiterates before the citizens its commitment to carry out all the required actions so the culprits of this cruel and inhuman crime will be punished with the full weight of the law.

4. The government confirms its position to promote within the law and, according to our reality, the agrarian reform process with the broad participation of the

peasant organizations to promote production within a framework of security for land tenure and investment. [Dated] Tegucigalpa, 6 May 1991.

Armed Forces Communique

PA0605171091 Tegucigalpa Cadena Audio Video in Spanish 1214 GMT 6 May 91

["Official bulletin" issued by the Public Relations Directorate of the Honduran Armed Forces in Tegucigalpa on 6 May; read by Gilberto Diaz—live]

[Text] The Public Relations Directorate of the Honduran Armed Forces informs the national public:

1. Armed Forces members did not participate in the incident that took place in Agua Caliente, Arizona Municipality, Atlantida Department, on 3 May—where five peasants were killed and six others were wounded—as has been reported to the public by persons with ill intentions.

2. Exercising his rights as a citizen and individual, Lieutenant Colonel Leonel Galindo (Luxen) had purchased the land under litigation, where the incident occurred.

3. Armed Forces Chief General Luis Alonso Discua Elvir deelpy regrets this incident, which has brought sorrow to poor Honduran families, and has ordered the creation of a high-level institutional commmission to immediately resolve this violent action. This commission will be tasked with conducting an in-depth investigation of the incident. In addition, Gen. Discua Elvir ordered Armed Forces troops in the area to step up efforts to arrest, as soon as possible, the individuals responsible for this criminal action.

Tegucigalpa Central District
[Dated] 6 May, 1991
[Signed] Public Relations Directorate
Honduran Armed Forces

General Discua on Killings

PA0705031091 Tegucigalpa EL HERALDO in Spanish 6 May 91 p 44

[Report by Eduardo Maldonado]

[Text] This weekend, Armed Forces Commander Luis Alonso Discua Elvir said that as commander of the country's military institution, he regretted the incident in which five peasants were killed in Tela, Atlantida. However, he asked the people to understand that he is not at fault and that the incident can not be blamed on all soldiers.

The officer formally invited the peasant leaders and National Agrarian Institute (INA) officials to meet and discuss land problems because peasant confiscation of land increases during planting season.

He added that the police corps does not act independently but receives written orders from INA. Thus, the military institution is not solely responsible when it obeys these orders.

The Armed Forces commander reported that he has appointed a commission to investigate the death of the peasants in Tela, Atlantida. The commission is at the site of the incident and will render its report today, he added.

Discua said the Tela incident was not personally motivated, although he admitted that an Armed Forces member is involved in the case. However, he observed that certain sectors have tried to make the case appear as an institutional action and this is not true.

According to the officer, the death of the peasants is something that could have happened to anybody. "We would not blame the entire journalist association if the owner of the land happened to be a journalist and he acted in the same manner. However, certain sectors want to blame the entire Armed Forces even though everyone knows that they are not guilty. The owner of the land, Colonel Leonel Galindo—or his people—acted on his own accord.

The officer expressed his annoyance with the information from Comayagua that soldiers would probably be evicting some peasants from the area. He said this information is "biased" and that the soldiers are looking for the person who is impersonating a journalist and spreading incorrect information.

"I have met with officials from the Journalist Association and the Honduran Press Association to talk about the people who, using a tape recorder and a telephone, call the media and spread false information. This cannot go on because these people are not authorized to work in the media," Discua asserted.

The Armed Forces commander said that they had found three weapons in the house of the owner. These were: two AK-47 rifles, one 12-gauge shotgun and ammunition for AK-47 rifles, and a .38-caliber revolver.

According to Gen Discua, this shows that Army weapons were not used in the action, because the AK-47 rifle is a weapon that was used by the "contras," and many people in different parts of the country have this type of weapon. He added that the Armed Forces have tried to disarm people who have this type of weapon.

He charged that land squatters are using that weapon in the departments of Olancho and El Paraiso where land occupations have increased lately, and this is why the operations are being carried out. The Armed Forces commander said that as soon as the report is available it will be submitted to President Rafael Leonardo Callejas, but the courts will have the final say in sentencing the guilty.

The officer reiterated the Armed Forces' position that things be handled in a civilized manner in the justice tribunals, because he said that we are a country with laws.

"The Armed Forces are professional enough to act according to the law. He reiterated that the Armed Forces as an institution will comply with the legal order of INA, and not act at the whim of the military institution."

Regarding the strike by the labor leaders of the STENEE [National Enterprise for Electric Power Workers' Union] and possibilities of evicting them, Gen. Discua Elvir said: "The Armed Forces safeguard internal order, faithfully abide by the laws and regulations, and respect the rights of others, that is, of the labor groups. We have a constitutional mission to safeguard the internal order of Honduras. Therefore, we must make it clear that the Armed Forces will always strive to preserve the stability of the constitutional government, which has been elected democratically by the people. To this effect, we will strive to maintain the country's internal order."

The labor leaders have questioned the Armed Forces' nonpayment of the electricity it uses, but according to Gen. Luis Alonso Discua Elvir, the institution is not an island but part of the central government. Consequently, payment is made for the amount of electricity used by the military institution through existing offices.

Regarding the security provided for El Cajon and El Nispero hydroelectric projects, for which it is said that more than 1 million lempiras are charged, the Armed Forces commander said that the STENEE makes direct payments not to soldiers on active duty but to reservists. The only thing the Armed Forces does is lend weapons that are considered strategic.

He underscored that the Armed Forces "will never lend itself to use our rifles against the Honduran people. We must be clear on that. We are all Hondurans and just because we wear a uniform does not mean we are not nationalists. If they (the labor organizations) are militarily qualified to confront the Armed Forces, they will have the right and reason to say so."

Finally, he asked that the Armed Forces not be involved in political partisan aspects, thus rejecting the offer by the Christian Democrats who want the electoral law reforms to consider the participation of the military sectors in the coming elections.

Agrarian Institute Communique

PA0605171191 Tegucigalpa Cadena Audio Video in Spanish 1223 GMT 6 May 91

[Communique issued by the Executive Directorate of the National Agrarian Institute, INA, in Tegucigalpa on 6 May]

[Text] On 23 January 1976, the INA granted 32 peasants, who formed the group called [name indistinct], 60.60 hectares located in the vicinity of the village of Agua Caliente in the Arizona jurisdiction. The land was granted to Claudio Pineda Chicas, Ernesto Serrano Valladares, and Teodocia Alvarado Reyes. On 5 June 1977 the group called San Jose de (Tegsiguac) was given 79 hectares. A single group called El Astillero was then formed and given 149.60 hectares. It was affiliated with the National Association of Honduran Peasants (ANACH).

Later on, Mrs. Teodocia Alvarado Reyes, whose lands were legally recovered by this institute, illegally sent Mr. Mario Cesar Echeverria Escalante 22 manzanas of the lands that had been allocated for agrarian reform purposes for El Astillero. The legal [word indistinct] was obtained on 9 May 1989 by means of an illegal action taken by the former regional agrarian chief in charge of the Atlantic region.

Manuel Conde B., the former regional agrarian chief in charge of the Atlantic region, committed an illegal act on 9 May 1989 and took provisional possession of the 22 manzanas of lands, which were later purchased by Lieutenant Colonel Leonel Arsenio Galindo for the price of 15,000 lempiras.

The peasants, affiliated to El Astillero group, after learning of the illegal action taken by Mrs. Teodocia Alvarado Reyes, filed formal charges before the INA, which proceeded to investigate the matter and determined that the improvements made to the lands amounted to 10,500 lempiras. The lands in question had been illegally purchased by Lt. Col. Leonel Arsenio Galindo for the price of 15,000 lempiras without the mediation of [word indistinct], thereby violating the norms established by the agrarian reform law. Galindo's attorney was Lawyer (Domingo Diaz Galliard).

In the application of public order laws, the members of the El Astillero peasant group asked the INA to recover the lands that were purchased by Lt. Col. Leonel Arsenio Galindo. This was an administrative action for which the executive directorate had duly instructed our regional office.

In view of the tragic events of 3 May that hurt the soul of the Honduran people and bring sorrow to poor Honduran homes, the INA condemns the crime committed against peasants Martin Huete, Ciriaco Huete, Felipe Huete, Carlos Arjon Gonzalez, and Cruz Chacon, and the serious injuries inflicted on Juan Sagatuna Rodriguez, Hernan Horacio Munoz, Valentin Huete, Eulalio Alvarado Aguilar, Jose Antonio Martinez, and Elias Tome. The INA reaffirms its will to strictly implement, without manipulations, the agrarian reform law as an instrument to achieve social justice in rural areas and for the welfare of Honduran peasants. It will also provide all the moral, material, and legal support needed by the ANACH so that it can take the proper legal actions to punish the masterminds and perpetrators of this abominable crime.

[Dated] Tegucigalpa, 6 May 1991

[Signed] INA

Government Workers Strike To Protest Dismissals

PA0705044291 Paris AFP in Spanish 0328 GMT 7 May 91

[Text] Tegucigalpa, 6 May (AFP)—Over 1,000 workers from the state National Board for Social Well-Being [Junta Nacional de Bienestar Social—JNBS] began a strike today to protest the dismissal of some of its members as part of an announced reduction in force of 10,000 Honduran Government employees.

The strikers, who are also demanding the implementation of a salary increase agreement, paralyzed several JNBS centers, which are directed by First Lady Norma Gaborit.

Meanwhile, 27 unions in the Fecesitlih [Central Federation of Unions of Free Workers of Honduras], are on a state of alert following the government's dismissal of 300 employees over the past few days.

National Enterprise for Electric Power Workers employees have been on strike for the past seven days to protest the imminent dismissal of over 1,000 employees, and an immediate increase in tariffs, which has been agreed on by the government and World Bank as part of an economic readjustment program.

Nicaragua

Former EPS Members March To Demand Land

PA0605151291 Managua Radio Sandino in Spanish 1246 GMT 6 May 91

[Text] Former EPS [Sandinist People's Army] members will march to the Managua mayor's office this morning to demand that the government keep its promise of turning over parcels of land to them. They say that thus far all they have gotten are promises from the government. Maria Luisa Agamez, president of the Association of Former EPS Members in the Third Region, called on the former soldiers to join the association:

[Begin recording] [Agamez] We are calling on all retired comrade officers in the Third Region to come two and one-half blocks to the south of Racachaca at 0700. From there we will march directly to the Managua mayor's office. We will demand that Mayor Arnoldo Aleman give us our parcels of land immediately. This is the last benefit the government owes us and it has not paid attention to the association's requests for negotating this matter.

[Reporter] How many former Army comrades are there in the Managua area?

[Agamez] A total of 2,250.

[Reporter] What other promises have not been kept by the government?

[Agamez] This is the last demand and the government has done nothing about it.

[Reporter] What action will you take if the mayor's office does not assign the land parcels?

[Agamez] We will take action for an indefinite period of time. [Words indistinct] the mayor's offices in all the regions have already been taken. This action will continue until the government takes positive action on the matter. The action is also to support the rejection of the repeal of laws 85 and 86, as it would negatively affect all the Nicaraguan people. In this respect, we call on all grass roots organizations to join the association in its actions to counter the sectors that want to repeal laws 85 and 86. [end recording]

Mayor's Office Occupied

PA0605202291 Panama City ACAN in Spanish 1830 GMT 6 May 91

[Text] Managua, 6 May (ACAN-EFE)—A group of retired Nicaraguan soldiers today occupied part of the Managua Mayor's Office to pressure city hall to release the land promised by the government, an official source has reported.

The former Army soldiers, who were retired last year, are occupying the Civil Registry office of the Mayor's Office in Managua because Violeta Chamorro's government has not fulfilled its promise to grant them land to cultivate, the same source added.

After only one year of the Chamorro government, the Nicaraguan Army was reduced from 80,000 to 28,000 permanent troops. The retired men were promised land and professional training to help them rejoin civilian life.

A source for the Mayor's Office, contacted today by ACAN-EFE, said that the retired soldiers decided to occupy the Civil Registry because the land they are claiming falls within its purview.

Meanwhile, the same source denied that Managua Mayor Arnoldo Aleman had been kidnapped by Sandinist supporters, as was reported by an anti-Sandinist radio station today.

Aleman is currently negotiating with the former soldiers who are occupying the mayor's office, the source explained.

The police are outside the Mayor's office waiting to see the outcome of the occupation.

Chamorro Discusses First Year in Office

PA0705011391 Managua EL SEMANARIO in Spanish 25 Apr-1 May 91 pp 9,10,11

[Interview with President Violeta Chamorro by Erick Aguirre at the Presidential Palace in Managua; date not given]

[Excerpts] At the risk of seeming unfair to our readers, I can definitely say that prejudice almost defeated this interview. I say this based on the tense cordiality with which President Violeta Barrios [de Chamorro] agreed to grant us a few minutes of her time for an interview and on the defensive tone of many of her replies.

In other words, it was difficult for us to make her feel that our intention as journalists was not to attack her but to interview her to learn about and to bring to the surface some unknown trivial aspects of the president that are frequently hidden in history behind a forceful curtain of rites and formalities.

"I have had to face many insults and offenses both during the years of Somozism when I stood beside my husband and during the years of Sandinism," she explained. She constantly reiterated that the reason she "got into politics" was to achieve the reconciliation of "all Nicaraguans, for my fatherland's benefit." However, achieving that reconciliation has been a very difficult task for her government and she had to admit that during the past year she has had to face, in various ways—mainly political—multiple pressures from different directions. [passage omitted]

Political Experience

[Aguirre] Mrs. Chamorro, we know that you are not a woman of practical political experience. We imagine that what experience you do have was acquired during the many years you shared with your husband. Of all the experience you acquired from Dr. Chamorro, what has been the most valuable during your first year in office?

[Chamorro] "This is not the first time I have been in government. You may recall that I worked with the Sandinist Government as part of the Provisional Junta of National Reconciliation. However, it was not a rewarding position, because it was based on a doctrine that did not agree with my convictions. I have given myself completely because I love my fatherland, which has nothing to do with whether I have political experience or not; it is a matter of conscientiousness and human feelings. Pedro was a man who struggled for peace, reconciliation, and unity in this country. I always accompanied him during the years we were together and I shared all his good and bad moments.

"However, this does not mean that I am vengeful. When I was invited to participate in the Junta, I accepted. Even though you might say that I do not have political experience, the fact is that I was selected. After that, I worked for the newspaper [LA PRENSA], and although I am not a journalist, I know how to organize things. As you know, I was chosen from among many candidates, including representatives from 14 political parties. I was elected president, and here I am. We have done many good things for the country, I do not know if you have appreciated them or not."

[passage omitted] [Aguirre] How are your relations with the people of the FSLN [Sandinist National Liberation Front]?

[Chamorro] I never refuse to talk to those who talk to me. You see, I am telling Aguirre that I have known him since he was a little boy, and the same with Marcio [not further identified], whom I recently met again in Japan. They are all welcome in this house. I never refuse to talk to anyone. If someone wants to talk to me, he is welcome. Some moved away from me, and now that we see each other again we greet each other. May it please God that we might create unity among all Nicaraguas, a reconciliation for the good of the country.

I do not believe that this is the effort of one person alone, since it is for the common good and the fatherland. In free and democratic elections, all that is left for the loser to do is to accept defeat. I do not mean to be disrespectful, rather that we must work and not continually try to destroy the work of the other person.

[Aguirre] What do you think are your greatest achievements during the year of your administration?

[Chamorro] What more than the end of the war? That was foremost for me. That was my biggest concern; so that the killing would stop, so that your brothers or my husband would not be killed. My husband died for an ideal. Furthermore, I wanted to seek reconciliation so that the members of the Nicaraguan Resistance [RN] would return to society as Nicaraguans, which they are. Perhaps you had a brother in the RN, as anyone could have, but here you are, you can come in and leave. We have liberty. There is no censorship here, as in the past, and that is something no one can deny. I do not want to be criticized for that. There was censorship during the Sandinist and Somozist eras—and I am saying this because I lived through it with my husband and by myself, as well.

So now you can do as you please and say whatever you want to say. I am telling you this as a friend. I ask you to write good things. I am very happy that you came to interview me so you can write about my views, which are in favor of the common good. There is freedom to express ourselves and make things rights, without distortions, because I do not like it when the news is distorted.

[Aguirre] Mrs. Chamorro, a year ago when you were running in the elections and planning your government, did you think it would be the way it is now?

[Chamorro] Of course. When I was elected and was invited to the first meeting, I thought I had won and would not give in. I thought we were going to move the country forward, because the country was bankrupt. I am knocking on the doors of all friends of goodwill who want to help us overcome the economic crisis we are experiencing.

That is why I said: I will work with the people I have chosen for the good of the country. That does not mean

we are the only ones who are going to work, because we all have an obligation to work. We—journalists who are independent, as well as those who are not—all have an obligation to work. We do not have an official newspaper, like the Sandinists who inherited the NOVEDADES newspaper [owned by the Somoza family].

I do not understand the reason for all the propaganda about me being bony and all that. I think the attacks misfired. Regardless of what others may say, if the people elected me, we are going to do all that we can to leave a good legacy. Perhaps, one of you may get to be president a few years from now. The thing to do right now, however, is to start from scratch. You must all work in unity. You have your pen and paper and must say things well to help the people rebuild the fatherland. I insist that I want to help the fatherland out of love, not out of revenge or hatred. I would have liked it if those that killed my husband had been released. That did not happen, because, unfortunately, the National Assembly turned down my request.

The Meeting With Daniel

[Aguirre] Now, a year after the government took office, we remember the day after the elections when Daniel Ortega went to visit you, and there were no reports about your conversation with him....

[Chamorro] Are you saying that what we talked about was never reported? Well, it was public. Daniel came to visit me accompanied by my son Carlos Fernando Chamorro, editor of BARRICADA, which is the official newspaper of the Sandinist National Liberation Front (although I am not so sure that is correct anymore); and I do not recall if he was also accompanied by his foreign minister and the UN and OAS representatives, Elliot Richardson and Joao Baena Soares, respectively. We greeted and embraced one another. I felt as if he was very anxious and told him not to worry. I told him that we were all still Nicaraguans, but that the people had not supported him. He did not win; he did not hit the home run that he had announced in the Plaza de la Republica; rather he had struck out. Then, I told him that we had to work together for the country's sake. That was all. He was a little troubled, because I really do not think that any of them had expected this outcome. I told him that he was in his home. Then, I told him to congratulate me. When we were sitting on the sofa, I told him that I was sorry he had lost...but, why should I tell you more private details. I do not like to do this, because it is like selling people out.

[Aguirre] Have you and Daniel met since that meeting?

[Chamorro] Yes, of course. You should know this since you were there many times. To work for reconciliation among Nicaraguans, I ordered the graffiti on the walls of my house be painted over. There was graffiti on the walls of my house accusing me of being a Somozist, a traitor to the homeland, and all kinds of insults. So, I ordered all the walls cleaned, as I wanted to forget the insults and start over again. However, I am so used to being insulted that it does not bother me anymore. I was insulted many times during the times of Somoza and Sandinism. [passage omitted]

"Chuson," the Button of Villalobos, and the FMLN

[Aguirre] Speaking of the diversity in your family, a nephew of yours who was a commander of the FMLN [Farabundo Marti National Liberation Front] was killed several days ago in El Salvador. You saw him at the Montelimar Central American presidential summit a year ago....

[Chamorro) Tono [nickname for Antonio] was looking for me, because he wanted me to meet a lady called Ana Guadalupe (FMLN commander). I invited him into a room so we could talk. There, I told him that this was the right time to work for reconciliation in El Salvador, just as we had done in Nicaragua. I urged him to work for it. After that, I never saw him again. However, a group of Salvadoran boys who share Tono's ideology and thinking have visited me, and I believe they are willing and are preparing to work for reconciliation. Not only that, but I sowed on a button for one of these boys (Commander Joaquin Villalobos), which was about to come off. When I saw him holding his shirt, I asked him, what is wrong? I will be pleased to sew on that button for you, I told him, because here in my desk I have a bit of everything, not just rifles. Then I talked to them and told them I supported a settlement in El Salvador.

[Aguirre] Have relations with the vice president improved or, on the contrary, do they remain cool?

[Chamorro] This is not a matter of being cool. Virgilio has never believed in what we are doing or stopped to think that we must work together. He disagrees with the planned national reconciliation. This is not something I have fabricated. During a private breakfast at the Venezuelan Embassy with President Carlos Andres Perez on 24 April last year, Godoy said he did not believe in what I was doing; that I would be a rag doll just as the Sandinists were calling me. He also said I would be tied to a tethering post. I will never forget those words. I understand the meaning of that expression because I too have lived on dairy farms. Godoy also said that I would not be sworn in as president and that he wanted to be sworn in as vice president, but not at the presidential swearing-in ceremony. I was surprised to see him sitting quietly with the others.

[Aguirre] Did he show up again?

[Chamorro] Of course he has, but he has some very big plans which simply cannot be implemented with our budget. I would like you to tell me of any other president you have seen making every effort to find a house for their vice president. I have personally looked for a house for him, but he has not liked any one of them. Consequently, he does not have a house to work in. I asked Arnoldo Aleman to hand over to me the UNO [National Opposition Unity] headquarters so Godoy could use it,

but he did not like that idea and said that, in addition, it was the UNO house. No, Virgilio, I told him. The house is mine and I am giving it to you. It has 20 rooms, some of them very pretty, some of them smaller. That is a pig sty, he replied. Well, I said, I am sorry. He wanted Luis Somoza's house, where Henry Ruiz has some offices. The problem was that Godoy wanted the entire house. Out of curiosity, I asked him: What do you want it for? He replied: I want to invite my people to live here, as in a hotel, when they come. I told him: That is impossible because we have no money. He disliked the idea of sharing the house.

I have my own private house, just as he does. When I came here, this office was empty. I have gradually furnished it and given it human warmth and a feminine touch. I do not know whether or not you like it. When I first came here, all I found were four rocking chairs painted violet. I found it shocking. It is true I like the color violet, but I sensed that the chairs had been painted this color only to mock me. Now, however, this color has become famous. [passage omitted]

[Aguirre] How did the case of Jaime Morales' house end up?

[Chamorro] It is not only this house. Many cases of properties must be settled. In this particular case, I think Daniel Ortega will have to move out, if he is an honest person. All of the proper papers have been filed at the Prosecutor General's Office. Everyone, not only Daniel, must hand over everything. There are many cases like this. Take a look at the papers filed at the Prosecutor General's Office by people who want their homes and haciendas back. The bundle of papers is a true headache. These confiscated, ill-gotten properties must somehow be returned to their true owners.

[Aguirre] So, you did not refer to this when you said: Let us forget about it?

[Chamorro] Of course not. That is a matter of conscience and education...

(She turns to look at her press director, seated behind us, and changes her train of thought)

...Among Nicaraguans, we express friendship by shaking hands. I am glad you people are here. It is beautiful to respect the people's will, even if the mayor is a Sandinist. Freedom of expression is the most sacred thing in the world.

[Aguirre] Is General Humberto Ortega going to stay longer, or have you had another idea?

[Chamorro] I said one year ago that Gen. Ortega will stay for as long as I deem appropriate.

[Aguirre] When is that?

[Chamorro] Let us leave that alone. We are going to see him in that post.

[Aguirre] Are not there pressures to remove him?

[Chamorro] Yes, there are, but I make the decision. I will remove him when I think it appropriate.

[Aguirre] During the campaign, you talked about the possibility of dissolving the army.

[Chamorro] The Army has been greatly reduced. . . .

[Aguirre] Is it not your goal to eliminate the army?

[Chamorro] Of course not. My goal is to have an army but a necessary one. I want a small army like Sandino had or like former Costa Rican President Jose Figueres had, but just to protect the country's sovereignty. Why would a country with 3 million people want more? A small army is sufficient because there is no money for it. [passage omitted]

The Promised Resignation

[Aguirre] You and [Presidency Minister Antonio] Lacayo said while unveiling the economic plan that if it failed you would resign your posts in government. If it fails, will you resign?

[Chamorro] Sure, but the plan is not failing. Neither Lacayo nor I will leave. The economic plan is moving on, and we are setting an example for all by leaving the country a good legacy with our attempts to settle the $11 billion in debts we inherited from the previous regime.

[Aguirre] Do you not see the possibility of it failing?

[Chamorro] It is not failing. [passage omitted]

Lacayo Denies Alleged 'Strongman' Role

PA0705034691 San Jose LA NACION in Spanish 25 Apr 91 p 20-a

[Report on interview with Presidency Minister Antonio Lacayo by LA NACION reporter Luis Rojas Coles in Managua; date not given]

[Text] Managua [no date as published]—"To say that Antonio Lacayo is the man who rules Nicaragua is to be ignorant of the personality, strong will, and determination of Violeta Barrios de Chamorro," Lacayo himself has stated.

The fact is that Nicaraguans, from all levels of society, point to Presidency Minister Antonio Lacayo, who is also President Chamorro's son-in-law, as "the man who rules this country."

Lacayo denies this. He defends his mother-in-law and states clearly that "what is happening in Nicaragua is the product of this woman's tenacity, her fighting spirit, her courage, and the firmness with which she has faced up to many difficulties."

The presidency minister, who by the way said that he has very little time for his family, also reviewed the achievements of this government, which is celebrating its first anniversary today.

He acknowledges the difficulties and his voice does not tremble as he criticizes those who demand repressive measures to quell social discontent.

"A Cock-and-Bull Story"

Lacayo feels that "to say at this time that I am the one who rules Nicaragua is to invent a cock-and-bull story."

He notes some events: "When her husband, journalist Pedro Joaquin Chamorro, then director of LA PRENSA newspaper, was killed in 1978, Mrs. Chamorro took up a position of confrontation with the Somozist dictatorship, and even contributed to its defeat.

"Dona Violeta then joined the government junta to build a new Nicaragua, and resigned when she felt that things were not going as she thought they should. From her post at LA PRENSA, she continued to try to contribute to the formation of a new fatherland.

"She endured all kinds of criticism, all kinds of blows, and continued onward until she accepted the candidacy to the presidency of the Republic, for which she campaigned from a wheelchair," the president's son-in-law said.

According to the minister, he is very close to the president because he is married to her daughter Cristina. He said: "I lived in her home for many years, and when all her other children left, some to go into exile, and others to join the Sandinists, only my wife and I stayed with her for many years. That is why we have developed a very close relationship, so much so that when she was asked to become a candidate, she asked me to be her campaign manager, saying that otherwise she would not accept the candidacy."

Lacayo said that the president is capable of giving up even her life to achieve her objectives. She is a woman of very strong will, he said.

"What is important to her is that we are all Nicaraguans. She feels that the sooner we understand each other, the better it will be for this country, because political and ideological differences should be discussed properly among human beings, without resorting to rifles or killing each other, which has occurred here and not just in the last 10 years, but in the last 150 years," he said.

In his opinion, the president is breaking this cycle of violence that Nicaragua has experienced over and over because of rulers who never gave the people democracy. "All rulers, as soon as they came to power, used that power for their own benefit, for themselves and their friends, and this includes the Sandinists," Lacayo said.

Asked about the alleged pillage carried out by the Sandinists during their administration, Lacayo said that "more than pillage, what the FSLN [Sandinist National Liberation Front] did was repeat our history to some extent. In other words, they dethroned the preceding government and proceeded to govern basically and exclusively for their group, not for Nicaragua."

The Economic Area...Horrible

To the "strongman" of the Chamorro government, the economic situation is horrible, very harsh.

"One has to see what it is like for a country to have been at war for 10 years. One has to walk through the streets and look at the mutilated young men. One has to see what it means for only a very few housing units to have been built in 10 years, for no important factories to have been built, for most of the professionals to have left," Lacayo said.

He later added that he decided to stay in Nicaragua "because I always believed that my country would come through, and besides, it was my duty to remain. If one gets out of the game, one loses, and later cannot blame anyone else."

He noted that shortly over a year ago, when the first public opinion polls were taken, two major problems were identified: the war, that is, the military service and destruction, and the economic crisis, which meant the unemployment, inflation, and weekly currency devaluations.

Based on this, he said, we Nicaraguans who voted on 25 February 1990 did so with the hope of eliminating those two major problems.

"This government understood that, and once Dona Violeta took office—a year ago today—she devoted herself to that task. "Like the oxen that pull the cart, it was necessary to confront the first of those obstacles. [quotation marks as published]

"At the time, there were 20,000 contra fighters on the national territory, and there was an army of 80,000 men, plus thousands of weapons in the hands of civilians.

"The first great task was to convince those contras to become incorporated into civilian life. This was done in two months, after which it was necessary to make an effort to place them in productive positions and give them land, something that has not yet been completely achieved.

"Along with this effort to disarm the contras, Dona Violeta made it possible for the Sandinist People's Army to be reduced from 80,000 to 27,000 troops.

"I would say that 1990 was the year of pacification in Nicaragua. In other words, the war here is over, and we Nicaraguans are aware of this.

"The year before, it would have been foolhardy to embark upon an economic adjustment plan in a country with two armies. It would have been reckless to apply a

number of economic measures that we are now implementing with so many tens of thousands of weapons in civilian hands. We would simply have killed off each other," Lacayo said.

The minister said that priorities had to be established, and the first priority was to achieve peace at any cost. He said: "Obviously, the economic solution had to be postponed. That is why now, in 1991, we are devoting all of our energies to the solution of that crisis.

"That is why, on 3 March, with all the factors in hand, the government launched the economic stabilization program called 'Let us support the cordoba,' which drastically corrected the rate of exchange, ended the irregular issuance of money, and ended hyperinflation, which in the last few months had reached 40 percent per month.

"Nicaragua's situation on 25 April of last year was the most complicated one in the world. It had the highest per capita foreign debt in the world ($3,200 per inhabitant). Along with that, our exports had dropped (from $700 million to $300 million). At the same time, we had accumulated a greatly prolonged hyperinflationary process that lasted 26 months." the minister said.

"Thus, the country's clinical picture was fatal. However, we believe that beginning on 3 March, with the launching of this stabilization program, things will begin to straighten out. We have gone five weeks without a devaluation. The people are now breathing, their are belts tight, but they are breathing."

On the lack of legislation to deal with the cycle of strikes, and specifically regarding the "request" that the "government crack the heads," of strikers, Lacayo said: "This government was not elected to crack heads, but rather to promote the reconciliation of Nicaraguans."

Despite Lacayo's optimistic comments, people in Nicaragua are afraid of "Sandinist sabotage and destabilizing actions."

Lacayo feels that the FSLN is aware that if it fails to adhere to this effort to change things, achieve peace, and solve the economic disaster, it will be punished by the people themselves.

"This government," Lacayo said, "is promoting the revolutionary plan of 1979." He noted the three main pillars of that plan: political pluralism, mixed economy, and nonalignment.

[Rojas] Does not this pluralism mean that the government negotiated with the Sandinists to give them some share of power?

[Lacayo] What share of power?

[Rojas] The share that some politicans maintain was given to the Sandinists.

[Lacayo] To whom, to whom?

[Rojas] For example, the retention of Humberto Ortega as the head of the Army, which has been harshly criticized.

[Lacayo] Humberto Lacayo is there not because he is Sandinist, but because he is the officer of highest military rank, and the constitution provides for that.

[Rojas] It is also said that important Sandinists have remained in key posts, such as health, education, and banking.

[Lacayo] What do the people want? For us to come here and sweep out people just because they belong to a political party? That would be vindictive, and we want positive things. We want the country to move forward. We want the most efficient and appropriate person to be in each post. What does it matter if a person is Sandinist? We hope those people will be mature enough to work for the nation's interests and place those interests ahead of party interests.

"Otherwise, what will happen here? With each change of government the entire public administration, all bank managers, and all military officers would be swept out, and that cannot be. That is childish.

"We are confident that we will move forward and manage to survive the crisis.

"In any case, complaining is a national sport among Nicaraguans..." Lacayo said.

Humberto Ortega on Government, Events in Country

PA0605132691 Managua Radio Sandino in Spanish 1900 GMT 4 May 91

[News conference by Army General Humberto Ortega, commander in chief of the Sandinist People's Army, with local and international reporters at the Sandinist Air Force Base in Managua on 4 May—recorded]

[Excerpt] [passage omitted] [Reporter] [Name indistinct, PRENSA LATINA] What is happening within the government group that initially signed a transition agreement with you. Is there a lack of consensus? What is really happening?

[Ortega] I think such reports have been exaggerated in the media because there is no serious crisis within the country's leadership. I belive that the current situation can be compared to an earthquake, which is followed by aftershocks during the settling period. We had a big earthquake, the revolution that overthrew Somoza. As a result of that revolution, a democratic process was begun. It was difficult. We went through a war, then aggression, and finally there were elections in 1984 and 1990. We are strengthening that democratic process. The earthquake was the revolution, which has been followed by a number of tremors, known as aftershocks in seismic language.

I do not think there will be another quake. It would be absurd, because democracy is being strengthened here within the framework of a revolution in which all the Nicaraguan people participated. That revolution left the landlords, reactionaries, and Somozists behind, and through that spirit we will achieve stability in Nicaragua.

I think we are facing a transition period and the government has undertaken efforts to attain peace with all political sectors, particularly with the Sandinist National Liberation Front, which is the strongest party in Nicaragua. Therefore, despite the crisis, and what some people may say, we have advanced more toward reconciliation and peace than toward salting old wounds. In reality, the situation now is less bloody than the one that existed just after the revolution. There is also less uncertainty than after the elections when the contras had not yet disarmed themselves.

In sum, I believe that we have made progress, but there are problems that must be solved regarding land and other social problems. Those problems, however, must be solved in a civilized, adequate, and patriotic manner, with a nationalistic spirit, but never to the detriment of the hardworking and humble people so that a few who may want to do things like they were done in the past during the Somozist dictatorship can benefit.

[Unidentified reporter] It has been said that you went to receive Venezuelan President Carlos Andres Perez at the airport but did not participate in any protocol activities because supposedly President Perez brought with him a letter signed by President Bush requesting your removal. What can you say about that?

[Ortega] Well, I can tell you that those reports are absolutely false. From the days of the struggle against Somoza, President Carlos Andres Perez has maintained a very realistic attitude toward Nicaragua. He directly contributed to the Sandinist struggle in those days.

It is true that some leaders like Carlos Andres and other Latin American leaders have their own views on how to find a better solution for Nicaragua. However, regarding the specific case you have mentioned, I can tell you that those reports are absolutely false. There has been no imposition on the part of Venezuela, specifically from Carlos Andres, on the government or on any of us. On the contrary, you heard his speech in which he recognized the Nicaraguan reality, that there was a revolution, and he even recognized Carlos Fonseca as a national symbol, not only as a party symbol. Sandinism is being recognized.

I can also tell you that Carlos Andres Perez felt offended and asked why he was not given the Order of Augusto Cesar Sandino. I even mentioned this to Engineer Antonio Lacayo, who agreed that Carlos Andres should receive the order. [Words indistinct] why he had not received the order, which is the country's highest decoration. The reply was that it was not ready [word indistinct].

In reality, the speech delivered by Carlos Andres Perez to the National Assembly was very clear with regard to the Nicaraguan reality, and steps to consolidate the democracy that Nicaragua has been seeking, which has cost so much blood since Sandino was killed in 1934 and since the revolution's victory in 1979. This democratic process is now gaining strength. It is not just beginning and it was not just invented. In any event, we made it possible for democracy to exist in Nicaragua.

Therefore, what you just said is incorrect. In addition, I must say that Carlos Andres Perez had nothing to do with the problem that occurred with the police. I can say this with complete authority.

[Reporter] What about your differences with your brother Daniel? There are talks about differences with Daniel and also about General Humberto Ortega's great affinity with Eng. Antonio Lacayo.

[Ortega] I have no differences with anyone. In Nicaraguan society it is clear that in one family a man can have differences with his wife, this is quite possible as there are differences and contradictions. Therefore, those of us who want complete peace—the revolutionary forces and the government's more centrist forces as [word indistinct] has shown.

I have clearly stated that the people voted to discontinue the bloodshed in Nicaragua, they did not vote for one group sweeping out the other. They voted primarily to attain peace quickly, which indeed occurred. The elections made it possible for the contras to disarm themselves quickly. They also voted so that the economy could be reactivated and so that the people could have a better chance to survive in this complex world. More than 90 percent of the people voted in favor of peace, and to live under better economic conditions. That is the reality.

Only a minority—the followers of Virgilio Godoy, Arnoldo Aleman, and other reactionary members of COSEP [Higher Council of Private Enterprise] and other vengeful reactionaries, including the Somozists who once again are exerting pressure and believe they can once more have their way—do not agree with the reconciliation and understanding process. Since the revolution began I have clearly outlined my position and my ideas, but always within a framework of fairness and justice [words indistinct]. I want democratization to broaden in Nicaragua. We have had our differences in the past and, as one may well expect, there can sometimes be differences between my role as general and my political role within the party. [passage omitted]

Contras Reportedly Form Brigade in Rio Blanco

PA0605160091 Managua Radio Sandino in Spanish 1300 GMT 5 May 91

[Text] News from Ayapan, Jinotega: A group of former contras, who are not happy with Violeta Chamorro's government, have recently formed the 380 Brigade in

honor of murdered Colonel Enrique Bermudez. They went to Honduras to bring weapons and returned to the mountainous Rio Blanco region in Nicaragua approximately 15 days ago. Former Nicaraguan Resistance member (Juan Arauz Orosco), aka as Siete Lenguas, confirmed the existence of the 380 Brigade and that it is at least 75 strong. The peace-loving peasants in the region are justifiably concerned about the presence of these armed men. (Arauz Orosco), who used to be the former contra courrier chief in the San Jose de Bocay region, talked about the well-armed men who entered from Honduras. He said that the people in the region are very worried about the situation and that the brigade is headed by a man called California, whom no one knows.

Panama

Arias Calderon Speech on Politics, Budget

PA0505141191 Panama City Radio KW Continente in Spanish 2245 GMT 4 May 91

[Speech by First Vice President Ricardo Arias Calderon on the occasion of his birthday at the Hotel Piramidal in Santiago, Veraguas Province; monitored in progress—live]

[Text] ...of projects, spending that would have been able to respond to the anguish and needs of a suffering people. We are saying that in these first three months there has been an inflow of $56 million more than was budgeted. We are saying that an account must be rendered to the people of what will be done with the $648 million that I have just noted, million after million. Why are they accummulating them? Avarice is one of the gravest moral sins, and also is one of the biggest political mistakes: avarice in the face of a people who need jobs and demand them; avarice in the face of a people who need health and demand it; avarice in the face of a people who need roads and demand them; avarice in the face of a people who demand education; avarice in the face of the Bocas del Toro inhabitants who want to know with certainty what their future will be, who want to know if they will be laid off from their jobs because of the earthquake; avarice in the face of the public workers who have a 13th month payment due them but which they do not want to pay. Which public workers are these? They are not public workers who receive salaries while at the same time getting retirement, like the comptroller of the republic. [applause and shouts] They are public workers, many of whom do not receive a salary that can be considered above the poverty level.

They are going to hear the voice that is emerging from the people. They are going to hear the voice of the pope. If they do not hear it, they are going to hear the voice of the Christian Democratic Party [PDC] struggling throughout the country for justice [applause, shouts: With Carles as comptroller, things are only getting worse.]

That is why the Panamanian people are acompanying me here today, amid their anguish, in a celebration of hope, because they know they have found a voice that they never lost. Today this voice speaks clearer and louder than ever—the voice of the PDC, of the greens, who demand social justice with seriousness and without demagoguery and who listen to the voice that comes to us from Rome. Will that be the only reason for hope by the people? No, there are other reasons why the people have hope in the PDC.

We demand that the Panamanian people be told clearly what the economic policy of this country is going to be. As yet there has been no official publication of the document listing the international financial organizations' demands. As yet it has not been said what the planning minister's position was during his visit to Washington to negotiate with those organizations. We want to know if they are going to accept a reduction of 19,000 jobs among public workers, as is demanded by the financial organizations. Will they create more unemployment? Let them speak clearly and stop whispering. [applause, shouts: Endara, chicken, Carles tells you what to do, Endara, chicken, Carles tells you what to do.]

We want to know if they are going to accept the exaggerated privatizations proposed by the international financial organizations, including the privatization of INTEL [National Institute of Telecommunications]. I ask whether with a privatized INTEL we would have been able to provide public service to the most remote communities, as we attempted to do during the current government's first year with 40,000 new telephones throughout the country, when a Christian Democrat was in charge of INTEL? Who will decide what is going to be privatized? We, the Panamanians, or others outside Panama? [applause, shouts]

Let them speak loud and clear, without whispering, about why they are promoting drastic changes in the Social Security Fund, when the Social Security Fund Board is proposing more moderate and more effective alternatives. Why, if the workers themselves propose at board meetings to give up the second part of the 13th month so that benefits are not greatly cut, do they dismiss that proposal? Are they going to impose on the social security beneficiaries the moderate and reasonable changes that the beneficiaries will understand, or will they attempt to impose on them drastic and possibly unnecessary changes? Are they going to conduct an administrative reorganization of the Social Security Fund or are they going to leave it as it has been all these years, with the crisis caused by that disorganization? The moment has come for them to speak and to respond to the Panamanian people. They must not remain silent. They must not only respond to the bankers in Washington, but must speak clearly and honestly to the Panamanian people.

I also want to know if they are going to keep the promises they made to the Panamanian agricultural sector. According to the directives approved last September, the

sector was promised that the quotas would be maintained until 1993 and would be followed by tariffs that would protect agricultural production. Are they going to keep that promise or are they going to exclusively heed the demands of the financial organizations that want to see both the disappearance of the quotas and tariff reductions this year.

The Panamanian people know that the country needs an economic policy and know that such an economic policy is currently nonexistent. That is why they base their hope, not on the Carles, Endara, and Ford government, but on the democratic position of the PDC. [applause]

We are engaged in a celebration of fulfillment. I want to avail myself of this opportunity to state once again how proud I was as PDC president to see the work carried out by our ministers, deputy ministers, the directors and subdirectors of autonomous entities, the governors, the mayors, the ambassadors, and officials. They were not people who engaged in persecution, as others are now persecuting Christian Democrats. [applause] They were fair, just persons, people who were able to invite the participation of independent persons, labor unions, civic nonparty activists, persons who worked honestly, who struggled against the avarice of the comptroller and against the incredible weakness of the president now governing the country. [applause]

I am proud of those Christian Democrats, and this celebration is not of my birthday but of our task to fulfill commitments. But even more, it is a celebration of hope. I have profound hope in the future of our fatherland. But I do not have hope in a government of avaricious, a vacillating government without leadership. I sense it through the people who are here from all the provinces, smiling and welcoming us, from the reception that you have accorded us now that we are outside of the government.

I have enormous hope in the future of our country. We are going to give Panama not a democracy of crabs walking toward 1968 [reference to the first year of military rule], but a democracy of free people, walking toward the future, clutching the future in their hands. [applause] We are going to give Panama not the traditional democracy of deceit, fraud, abuse, but a modern democracy of work, honesty, and responsibility by the people. We will give Panama, together—the people and the greens—we will give it a just democracy, a democracy that knows that when a Panamanian suffers a hand must be extended, and it must be extended now; we are not here to amass money and to close one's heart. [applause, shouts: Many more greens, many more greens] Together—the people and the greens—we will give Panama a country in which all Panamanians can feel proud and in which we can all feel that we are brothers. That hope, which rushes forth from my heart with incredible force, is not just mine. It is of the Panamanians. I am only a spokesperson and, precisely because of that, the shared hope of the people and the PDC is that everyday, everyday, there will be more and more greens. Thank you.

Argentina

Menem: Condor-2 Project 'Totally Deactivated'

PY0705003891 Buenos Aires TELAM in Spanish 1537 GMT 6 May 91

[Text] Buenos Aires, 6 May (TELAM)—President Carlos Menem has assured that the project to build the Condor-2 missile has been totally deactivated. He denied the existence of any pressure by the United States and Europe to make such a decision.

The chief executive said the Condor-2 project has been "totally deactivated." He affirmed that the nuclear technology used to build it "can be used for peaceful purposes." Menem denied foreign pressure to make this decision and, although he emphasized that he is "respectful toward international relations," he asserted the concepts of "sovereignty and autonomy."

Menem made these remarks after dedicating a new bottling and distribution plant for Pepsi Company, BAESA (Buenos Aires Bottling Company, Inc.), at the intersection of Cruz Avenue and Pepiri Street, in Pompeya District. Menem rejected reports of tension within the Air Force over suspension of the project because "the Armed Forces commander in chief does not admit any type of tension."

Moving on, Menem flatly ruled out the existence of a government campaign to discredit the Radical Civic Union because "this is not our style." He said: "We have been the subject of many attacks recently, but we will not pay them back in their own coin."

Menem believes the conflicts between Acindar [Argentine Steel Industry, Inc.] and Cantabrica metalworking companies and their personnel should be "settled this week." He said the situation "is the result of the need for change, for reorganization." Menem said this "is the way these companies operate, produce, and reduce their costs in order to be able to compete." He reiterated that "one cannot make a 180-degree turn without any political cost."

Concerning the closure or privatization of the Argentine Medium Tank Factory, Menem pointed out that "the entire Armed Forces are in the process of reorganization."

After formally dedicating the new bottling plant by cutting ribbons and after it was blessed by Father Juan Carlos Esparza, Menem inspected the facility.

BAESA President Charles Beach said: "This is the first time we are betting on development of our activities in a country that is not related to ours." He added: "We are doing this with absolute certainty that we chose well since the possibilities and potential of Buenos Aires and the Argentine Republic are unlimited."

BAESA Vice President Ricardo Moreno said: "We are responding to the requirement of increasing production activities and improving the standard of living, which are the goals proposed by our national government."

Deactivation of Condor-2 Denied

PY0605220691 Buenos Aires BUENOS AIRES HERALD in English 6 May 91 p 7

[From the "Argentina in Brief" column]

[Text] (DYN)—The Defence Ministry said in an official statement released last night that the Argentine Government had made no definitive plans to deactivate the Condor II missile programme, as was solicited by the United States government. "Contrary to versions published today regarding the present status of the Condor II project, the Ministry of Defence has yet to decide whether or not the project will be deactivated," informed the press spokesman for that ministry which is headed by Antonio Erman Gonzalez. In a statement read over the phone to reporters, the spokesman asserted that during the meeting, which took place on Saturday [4 May] between the Argentine defence, foreign and economy ministers at the Foreign Ministry, "only hypothetical plans were discussed; no definite decisions were made."

Signing of Missile Control Agreement Considered

PY0605162691 Buenos Aires LA PRENSA in Spanish 5 May 91 pp 1, 4

[Excerpt] Defense Minister Antonio Erman Gonzalez has reported that "the government is studying the possibility of joining an international agreement for the mutual control of missile technology development," known as the MTPR [Missile Technology Proliferation Regime].

Gonzalez explained that the MTPR imposes some "restrictions and safeguards on its members," so that "certain types of research, which could lead to the production of highly dangerous missiles that can pose risks for nations or for world peace, will not take place."

"This is the healthiest attitude that Argentina can adopt in order to show that we are not engaged in an arms race, especially as it refers to nonconventional arms like chemical, biological, and nuclear weapons," the minister said.

Gonzalez's statement is linked to the discrepancies that arose some two weeks ago, when the U.S. Government—through Ambassador Terence Todman—expressed concern over our missile project.

While one sector wanted to dismantle the project and receive compensation from the United States—considering the investment made in the project—another sector proposed keeping the elements that could be used to produce a rocket for strictly peaceful purposes.

The Condor program began in 1984 using Egyptian and Iraqi capital and German technology. It was developed during the government of Raul Alfonsin. [passage omitted]

Comptroller Reports State Enterprises Performance

PY0305214091 Buenos Aires BUENOS AIRES HERALD in English 3 May 91 p 3

[Text] (DYN)—SEGBA [Greater Buenos Aires Electrical Services], the state power company, saw its revenues fall by 40 million dollars in the first quarter of this year, the State Comptroller's Office (SIGEP) revealed yesterday. Moreover, distribution of the company's electricity output is threatened by the number of cables which are brunt out, SIGEP warned.

The State Comptroller's Office, which reported on the performance of the various state-owned enterprises in a press conference yesterday, announced that:

—YPF's [Government Oil Deposits] crude oil production amounted to 6.1 million cubic meters in the first three months of this year, with the firm itself producing 1.6 percent less than in the same period last year, and its contractors 14 percent less.

Crude sales were 10 percent lower, but sales of derivatives were up four percent.

—Ferrocarriles' [state rail service] performance was inevitably adversely affected by the 45-day strike that crippled the rail service in March. Number of passengers carried was half what it was in the first quarter last year. Ticket prices rose 69 percent on the underground between the two periods, 31 percent on intercity services, and 12 percent for freight.

—The government has so far failed to float the 30 percent of Entel [National Telecommunications Enterprise] shares that it was to place on the market.

Brazil

Portugal's Cavaco Seeks Increased Relations

PY0605231091 Rio de Janeiro O GLOBO in Portuguese 6 May 91 p 7

[Excerpts] Accompanied by a delegation of 55 government officials and businessmen, Portuguese Prime Minister Anibal Cavaco Silva arrived at the Rio de Janeiro International Airport at 0630 yesterday morning on a TAP [Portuguese Airlines] commercial flight. Cavaco Silva is making a five-day visit to Brazil, during which he will sign 10 bilateral cooperation agreements with the Brazilian Government. At the airport he was welcomed by Governor Leonel Brizola, with whom he talked for 45 minutes in a car on their way to the Rio Palace Hotel, Copacabana Beach, where he is staying. [passage omitted]

Cavaco Silva said he is giving his visit to Brazil special importance and he expects to take a qualitative step toward consolidating relations between the two countries. Using a Portuguese term that is very difficult for Brazilians to understand, he explained that the first "summit" [cimeira] between the heads of government of Brazil and Portugal will be held in Brasilia on Wednesday [8 May]. [passage omitted]

Cavaco Silva is accompanied by five ministers and four secretaries of state. Today he will meet with Brazilian and Portuguese businessmen at the National Confederation of Industries.

Promotes Business

LD0705063591 Lisbon Domestic Service in Portuguese 2200 GMT 6 May 91

[Text] Prime Minister Cavaco Silva is in Brazil. Today he met Portuguese and Brazilian businessmen in Rio de Janeiro to discuss business cooperation focusing mainly on southern Africa. Maria Jose Guedes reports:

[Begin recording] [Guedes] The prime minister stated it was necessary to multiply the number of Portuguese investment initiatives in Brazil and vice-versa, and to promote Luso-Brazilian business cooperation in third countries; he was speaking of southern Africa, which he saw as one of the future focuses of development of that continent.

[Cavavo Silva] [Words indistinct] the investment of Portuguese companies in Brazil which is becoming a reality. And I cannot fail to recall the excellent opportunities that will follow the peace now obtained in Angola, bearing in mind that southern Africa will be one of the future focuses of development in the African Continent.

[Guedes] Speaking in Rio de Janeiro today, Cavaco Silva called for an intensification of business cooperation between Portugal and Brazil through the association of firms and by bringing together the efforts, abilities, and knowledge of businessmen. [end recording]

Economy Ministry Authorizes 6 May Price Hikes

PY0405155291 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 May 91

[Text] As of 6 May prices for household appliances will increase by 6 percent and prices for special [word indistinct] and electrical equipment will be readjusted upward by 7 percent. This decision was made by the Economy Ministry.

Beer and soft drinks will cost more now, but only in recreation and sports clubs, hotels, and commercial establishments that have entertainment. Prices cannot be changed in supermarkets, grocery stores, bakeries, bars, and restaurants without music. According to the Union of Bars, Restaurants, Hotels, and Related Activities of Brazil, the increase in prices could amount to 100 percent in the five-star hotels.

Prices for milk will also be readjusted within the next few days. The increase will range between 9 and 14 percent.

A study of the increases was made by the Economy Ministry's Supply and Price Department, and Economy Minister Zelia Cardoso approved the price increases.

Regarding prices for milk, the list of prices will be released by the Economy Ministry on 6 May and it will indicate when the price increases will go into effect.

The government does not plan to consider any price increases for beef, pork, mutton, chicken, or eggs. This guarantee was made by Ricardo Mesquita, director of the Economy Ministry's Supply and Price Department, who stressed that only [words indistinct] will have their prices increased.

He admitted that the government is studying price increases that have been demanded by the producers of coffee, margarine, soybean oil, chocolate, condiments, and canned foods.

GDP Declines 5.9 Percent Over Past 12 Months

PY0405023291 Rio de Janeiro O GLOBO in Portuguese 3 May 91 p 18

[Summary] The Applied Economic Research Institute, an organ of the Economy Ministry, has reported that the GDP declined 5.9 percent over the 12-month period ending in March 1991.

* Rezek on UNCED-92, Economic Integration

91SM0287B Sao Paulo GAZETA MERCANTIL in Portuguese 17 Apr 91 p 18

[Article by Brasilia correspondent Marcos Magalhaes]

[Text] The Brazilian Government will propose, during the United Nations Conference on the Environment and Development (UNCED) scheduled to be held in June 1992 in Rio de Janeiro, a subsidized transfer of funds allocated to ecological programs from the rich countries to the poor ones. This intention was revealed yesterday in the federal Senate by Minister of Foreign Affairs Francisco Rezek.

"It is vital that this transfer be made on a noncommercial basis, without looking toward the economic benefit," Rezek said in a deposition before the Foreign Relations and National Defense Commission, during which he also offered explanations on the creation of the Southern Cone Common Market (Mercosul) and the demarcation of the border with Venezuela. "That would be all we need—to get into the surrealistic situation where countries are looking for profits at the expense of the environmentalist ideal," he said, harshly.

The minister reported that more than 70 heads of state are expected to attend UNCED-92. Preparations for the event involve three levels of government. Rezek gave assurances that "at no time does the absence of partisan political identity between the federal, state and municipal governments constitute an obstacle to a perfect meshing of our responsibilities as the host country."

According to Rezek, at the conference the administration will advocate striking a balance between the environment and development. "One of the most obvious risks is that this event may become a sort of environmentalist festival, with not enough time spent on the subject of development. "We must not lose sight of the imperative of an equilibrium," he said.

The foreign affairs minister reminded the senators that the government is waiting for the National Congress to take action, and expects its approval, of the agreement that created Mercosul—the common market that will unite Brazil, Argentina, Uruguay, and Paraguay early in 1995. He predicted that Chile, where more open trade policies have been effect for a longer time, will join this initiative before the end of 1994. He also said that economic integration between the countries that make up Mercosul and the Andean Pact nations could come about in the future.

Rezek sought to reassure the senators with respect to the alleged handover of some of Brazil's territory—in Roraima State—to Venezuela. "All that the governments of Brazil and Venezuela are doing at this point is the physical work of setting the boundary markers," the minister reported, insisting that the initiative is only meant to prevent incidents on the dividing line between the two countries.

* INPE To Receive Signals From ERS-1

91SM028 C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Apr 91 p 12

[Article by Cilene Pereira]

[Text] Sao Jose dos Campos—The National Institute of Space Research (INPE) finished work this week on setting up, in Cuiaba, Mato Grosso State, the station that will receive images to be sent by the European Remote Sensing Satellite (ERS-1), a sophisticated piece of equipment that carries an instrument capable of transmitting and receiving radar signals. This means Brazil joins the list of countries that have their own stations for capturing signals emitted by equipment of this type.

In contrast to conventional satellites that use infrared radiation sensors to pick up the heat from the photographed region, for example, the ERS-1 functions like a real radar system, issuing signals on a microwave frequency. Because their wavelengths are much longer than those of visible light or infrared radiation, microwaves are able to penetrate and perforate the thickest cloud layers, like those that usually cover the Amazon region. "The signals picked up by the better-known kinds of satellites cannot get past the series of droplets of which clouds are made," explains researcher Hermann Kux, of

INPE's Department of Remote Sensing and Meteorology. He is in charge of coordinating the practical applications work that the images obtained by the ERS-1 will facilitate.

Arianespace

The satellite was built by the European Space Agency (ESA), a 13-nation consortium, and will be launched on 3 May from the space center at Kourou, in French Guiana. It will be positioned 800 km above the surface of the Earth and is supposed to make at least one pass over Brazil every day. Each one of these passes will last an average of six or seven minutes. Its signals will be picked up in Cuiaba and then retransmitted to INPE's image processing station in Cachoeira Paulista, a city near Sao Jose dos Campos.

Like any radar apparatus, the ERS-1 will also have a target; this will be the earth's surface, which will receive the microwave frequency transmitted by the satellite. Depending on the characteristics of the soil being scanned by ERS-1—mainly its ruggedness and humidity—some of these waves will be absorbed, while others will return to the ERS-1 orbit. "The satellite perceives this return and, using the difference between what went out and what came back, can form an image of the terrain," explained Jose Borges Escada, Jr., an engineer, also from INPE.

Floods

One of the principal benefits that the new satellite will bring to Brazil is the possibility of carrying out a variety of research projects covering subjects ranging from geological structure to the monitoring of the effects of floods, such as those that occur in the Mato Grosso swamplands known as the Pantanal. It will also help to accurately monitor the evolution of the Amazon rainforest. "We will be able to identify the deforested areas of the Amazon region more precisely. At present, in certain cloud-covered regions, the images of the other satellites are of poor quality," Escada said.

* March Oil Derivative Consumption Figures

91SM0287E Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 91 p 7

[Text] Rio de Janeiro—Consumption of petroleum derivatives in Brazil in March fell by 9.5 percent from the previous month's level, and by 9.9 percent when compared to the same period of last year, according to figures released yesterday by Petrobras. The drop in consumption last month, which was caused by the 25-day strike by petroleum workers, meant that Petrobras recorded daily sales levels resembling those of five years ago. Last month, the state-owned corporation sold only 911,900 barrels of fuel and derivatives, experiencing a reduction of 30.19 percent in deliveries of petrochemical naphtha and 18.4 percent in fuel oil. Consumption of gasoline, however, continued high: in March, the company shipped 155,800 barrels a day of that fuel to its distributors, a volume 13.5 percent higher than in February and 19.1 percent higher than in March of last year.

Almost all petroleum derivatives experienced a sharp drop in demand in March, compared with the same month of 1990. Demand for LP cooking gas, for example, fell by 20.3 percent from last year's level, while for diesel oil it was 7.4 percent less. Furthermore, consumption of fuel oil was 20.8 percent lower than last year, and aviation fuel 4.9 percent lower.

* Businessmen, Economists Assess Collor Plan II

* Plan Gets Failing Grade

91SM0287A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Apr 91 Economic Section p 4

[Article by Gleise de Castro]

[Text] If it were to be submitted today to a board of examiners composed of businessmen, Collor Plan II would fail the test. After two and a half months in force, it received an average grade of 4.9—on a scale from one to ten—from businessmen in the most representative regions of this country who were consulted by O ESTADO DE SAO PAULO. Among the principle features of current economic policy, the negotiations on the external debt, considered reasonably successful by the businessmen, received the highest grade: 6.9. The lowest marks went to wage policy, at 3.7.

In evaluating the Plan, the businessmen were especially critical of the inflation-fighting strategy, its raison d'etre. Most do not think that inflation has been brought under control; it is simply being held artificially low and could well explode again as soon as the freeze ends. "The structural inflationary pressures are still part of the scenario, and inflation has only been temporarily handcuffed," says Riuiti Kanadani, president of the Federation of Commercial Associations of Minas Gerais State (FACEMG).

To Adauto Ponte, president of the Brazilian Association of Iron and Steel Smelting Industries (ABIFFA), there is no doubt that inflation will return to its monthly level of 20 percent within two months. "Its structure has not been destroyed; the freeze is the only thing holding it back," says Ponte. "What we have is a momentary control, thanks to the share that each business sector was forced to contribute—the companies in the form of profits, the workers in the form of lost purchasing power, and the state corporations in the form of unadjusted prices and fees," said Abram Szajman, president of the Federation of Commerce of Sao Paulo. He foresees an inflation rate of between 8 and 12 percent during the next four months.

But there are some—such as Flavio Brandaliese, chief executive officer of the Perdigao group—who prefer to cast a vote of confidence in the inflation control policy. In his opinion, the fact that the administration has already admitted that one cannot hope to have zero

inflation is a positive development. "You cannot cut the inflation rate with the stroke of a pen," he says. In Brandalise's opinion the Plan, provided appropriate corrections are made—beginning, as soon as possible, with a relaxation of prices—requires more time to execute. "You cannot try to bring a 20 percent inflation rate down to the single-digit level in only three or four months; things do not work that way."

Antonio Mafuz, director of MPM Propaganda of Porto Alegre, also believes that more time must elapse before the Plan will show results. "We have to give Collor Plan II more time to mature," the businessman said, noting that although the chronic phase of inflation has passed, it cannot be said that it is under control. To Lucio Bemquerer, president of the Commercial Association of Minas (ACM), the Plan has in fact lowered the inflation rate to more acceptable levels. "But only after the thaw will we have any idea of its effectiveness," he points out.

The strongest criticisms were directed at wage policy. "Those who are down there on the shop floor know how brutally the wages of workers are being "flattened," says Adauto Ponte. To the ABIFFA president, cutting wages gets us nowhere. Many simply stated that there is no wage policy. Sergio Bergamini, director of the Federation of Industries of the State of Sao Paulo (FIESP), said: "There is no protection for the worker, and no freedom for companies to pay the kind of wages they want to pay."

Businessmen also see Collor Plan II as a measure that frustrates the expected liberalization of the economy. Renato Rique, president of National Iguatemi Enterprises of Salvador, for example, believes that the Plan is inconsistent with the liberalizing ideology preached by the administration. Adauto Ponte also feels that the government's official line has many good points, but he has not seen any results in practice. "In all modern economies, governments encourage the production sectors, but here we punish them," he says. As an example of this, he cites the fact that companies must live in a world of zero inflation because of the freeze, but have to pay interest rates such as seen under hyperinflation. "This is not civilized economic policy; it is economic paranoia."

* Economists Fear Next Phase

91SM0287B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Apr 91 Economic Section p 4

[Article by Maria Aparecida Damasco]

[Text] Minister Zelia Cardoso de Mello's team concluded the first stage of Collor Plan II without winning the approval of the economists. The team did not distinguish itself in any of the subjects in the curriculum and its final grade is still in doubt. Six economists consulted by O ESTADO DE SAO PAULO have given the principal features of the Plan an average grade of 4.1 since it took effect. Most of them fear that the situation will become even more vulnerable from now on—mainly because the price and wage thaw is about to begin. It was exactly at this point that the other stabilization programs showed their first signs of failure.

"Actually, Collor Plan II has been satisfactorily administered, so far," says Jose Arantes Savazini, business consultant and a member of former Minister Delfim Netto's group. The Reference Interest Rate was high enough to prevent the flight of money out of savings accounts; the freeze did not cause serious shortages of goods; and the tightening of wages prevented a headlong rush to buy consumer goods. However, according to Savazini, this equilibrium is still very precarious and can be upset at any moment. "The biggest advantages is that this time, the government's objective is more modest," continued business consultant Alberto Tamer Filho. "We are finally recognizing the limitations of the Brazilian economy."

The appraisal of the first two months of Collor Plan II becomes more favorable when compared with the expectations of disaster that dominated the market right after the measures were published. It is as if a poor student who had failed previous exams suddenly began to get grades closer to average. People are still hesitant to predict his recovery, but are willing to take his progress into account. "This plan is proceeding exactly as its predecessors did," said Paulo Guedes, vice president of the Brazilian Capital Markets Institute (IBMEC). It was the public's rejection of it when first announced that was much more vehement."

Economists in general have been more generous in their ratings of the short-term policies adopted by the economic team. Wage policy—or, more precisely, the absence of a rigid wage policy—exchange policy, and price policy were all seen as reasonable. To Tamer Filho, their main virtue is realism. The administration has removed the threat that wages would be indexed to past inflation rates, has been flexible in managing the price freeze, and has kept exchange rates at acceptable levels. Monetary policy did not receive much criticism either. The Central Bank is thought to be achieving a monetary control that is at least more effective than under the original Collor Plan.

Medium- and long-term policies, however, still leave much to be desired, in the opinion of the economists. As evidence of this, the privatization and administrative reform programs received big fat zeroes. Economist Francisco de Assis, of IBMEC, says in fact that fiscal policy is the weakest aspect of Collor Plan II. "We need to achieve a fiscal surplus by means of a broad tax reform, not just by raising taxes," warns Guedes. He believes, however, that the government has put itself on the right road. "The privatization program seems to have been well-conceived, although nothing has happened in practice."

Negotiations on the external debt were also harshly judged. It was not the terms of the agreement recently concluded with creditor banks that influenced opinions

most heavily in this regard. The criticisms referred to the disproportion between the cost of the negotiations and the actual results. In other words, it should have been possible to come to the present agreement in less time, and without wearing out the patience of the international financial community.

The big question concerns the future of Collor Plan II. On everyone's minds is the country's experience with earlier programs that also initially appeared to be on the right track, but whose end is well- known. "The Plan was just a truce; it remains to be seen whether it puts the economy in order or brings disorder," said Edmar Bacha, former president of the IBGE [Brazilian Institute of Geography and Statistics]. His biggest fear is that the government will not be able to put together an effective price and wage policy for the period following the freeze. Aloisio Teixeira, president of Federal University of Rio de Janeiro's Industrial Policy Institute, is also skeptical about the future of the economy. "The price freeze might exhaust itself before the government has developed a long-term strategy," he suggests. The next scenario—already familiar to all the actors and everyone in the audience—would be another escalation of the inflation rate, followed by another economic shock treatment.

Chile

Government Rejects UK Criticism of Pinochet

PY0605030891 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 5 May 91

[Text] The government has rejected the verbal aggression of UK parliamentarians against General Augusto Pinochet and their opposition to the Army commander in chief's visit to the UK. Minister Secretary of Government Enrique Correa has said that if the needs of the Army call for Pinochet's trip, it is correct for him to make it.

[Begin recording] [Correa] It always displeases us to see foreign personalities, no matter how friendly their countries and governments may be, inappropriately criticize members of our government. This is why we reject criticism of the Army commander in chief, who is a member of our government.

[Unidentified reporter] Does this criticism call for an official (protest)?

[Correa] We have not discussed the issue with the Foreign Ministry, but I believe that what I am saying is enough.

[Reporter] Mr. Minister, some sectors of our society and some politicians have said that this is not the right time for Gen. Pinochet to go to the UK. Does the government have any opinion on this?

[Correa] I believe some institutional needs called for the trip. Therefore, if the trip is necessary from the Army's point of view, we believe it is proper for Gen. Pinochet to make it. [end recording]

Minister Correa also expressed the government's satisfaction with the conclusion of the hunger strike being staged by dismissed public employees. Now is the moment, Correa said, to contact the CUT [United Labor Federation] to discuss the exact meaning of a political dismissal, to discuss employees who are dismissed from their jobs for political reasons. It is also the moment to include this concept in the bill that is about to be submitted to Congress.

Commenting on a report by Cardinal Raul Silva Enriquez on threats made against him by Manuel Contreras, former Dina [National Intelligence Directorate] chief, Minister Correa said these threats were a shame and will probably be investigated.

[Begin Correa recording] The government always investigates deeds that may constitute a crime. This is the role of the police institutions. [end recording]

Regarding Senator Carmen Frei's criticism of the government's media policy, particularly coverage of President Aylwin's tour of Europe, Correa said the senator's point of view is valid although the executive branch does not agree with it.

Concluding his interview, Correa commented on the draft bill to be submitted to Congress on 8 May. He said this bill will regulate the situation of illegal radio stations and the text will establish the requirements for communal [comunal] radio stations and the punishment for stations that broadcast without the appropriate permit. He said the opposition is giving a political aspect to an issue that is essentially technical. With regard to National Renewal charges that a Peruvian citizen—who is a Shining Path member—is heading these radio stations, Correa said that this is a very nice tale to read over a weekend.

PCCh Views Government With 'Positive Attitude'

PY0405172091 Santiago Radio Chilena Network in Spanish 1700 GMT 3 May 91

[Excerpt] Volodia Teitelboim, Communist Party of Chile [PCCh] secretary general, has said that the 17th plenum of the PCCh Central Committee has allowed his party to obtain a more realistic vision of national reality. Teitelboim thus referred to the plenum that began yesterday in PCCh headquarters on San Pablo Street. The PCCh secretary general said that his party has a positive attitude toward the government, although he recognized that it also is a bit disenchanted.

[Begin Teitelboim recording] Ours is not a self-satisfied party, it is a party that knows it is living through a difficult moment, which must be overcome by a more realistic attitude, by more contact with and a better

interpretation of the people, and by abandoning bureaucratic and sectorial attitudes that continue to affect the party. The fact that this is being questioned represents a change in attitude and an opening to new realities. [end recording] [passage omitted]

PCCh Secretary General Teitelboim Interviewed

PY0605035091 Santiago ANALISIS in Spanish 15-21 April 91 pp 10-11

[Interview with Volodia Teitelboim, Communist Party of Chile secretary general, by Maria Eugenia Camus; date and place not given]

[Text] [Camus] How would you describe current relations between the PCCh [Communist Party of Chile] and the government?

[Teitelboim] The relations are asymmetrical. The PCCh supported Patricio Aylwin's candidacy and contributed to his victory. We categorically reject being seen as an opposition party, not only because we do not want to be in the trenches of the rightist sector, but because we are interested in the success of the transition toward democracy. We are neither in the government nor in the Coalition of Parties for Democracy; ours is an attitude of constructive independence. The Aylwin administration has been in power for one year and one month and I would say that some government officials and representatives of coalition parties—not President Aylwin—have adopted a position of exclusion of the PCCh. Unfair and inaccurate remarks about the PCCh have been made recently and charges have been made about our responsibility for terrorism.

[Camus] I am putting this question to you because a few days ago Gladys Marin said that this government has taken a rightist turn and she charged that a repressive policy has been set in motion...

[Teitelboim] The Chilean political situation underwent a radical change after the death of Jaime Guzman, which we condemned from the very beginning and which we consider a macabre, but good deal for the rightist sector. As Andres Allamand has put it: The death of Guzman buried the Rettig report. This is what they wanted. The policy of vast sectors of the coalition and the government has sought to form a single front with the rightist sector in order to justify repression of the leftist sector under the excuse of terrorism. There is also a pro-rightist attitude in the media, all of which has darkened the atmosphere in Chile.

[Camus] Haven't the statements by Luis Corvalan also helped to darken the atmosphere?

[Teitelboim] The PCCh is not perfect. It is made up of human beings who can make inappropriate remarks at times. The important thing, however, is the attitude of a party, which is expressed through its regular organs. The interview Corvalan granted to EL MERCURIO had 99 fair remarks and one wrong statement. Yet, all the attention has been concentrated on the last one. The PCCh has a consistent policy of support for democracy and for the transition, seeking to free it from the dictatorship's mortgage and from the power enclaves of the past which, as President Aylwin said abroad, have made this the world's most unprecedented transition. We believe that this atypical situation is tremendously dangerous because the fact that the previous dictator became Army commander in chief involves some sort of abnormal situation and this poses a danger that can destroy democracy. Some people have pretended not to hear or see anything, have refused to listen, and have preferred to behave as if they had buried their heads in the sand.

[Camus] Everything seems to indicate that a faction of the Manuel Rodriguez Patriotic Front [FPMR] is responsible for the attack on Jaime Guzman. Don't you feel responsible for the fact that the FPMR—many of whose members were also PCCh members—is still operating?

[Teitelboim] We have urged youths to understand the major change that occurred on 11 March 1990. We have said a thousand times that this is not the time for taking up arms. This is a time to work for democracy with methods that are appropriate for this new stage. I deplore the fact that some people have not listened to us.

[Camus] Do you consider them terrorists?

[Teitelboim] It has been rightly said that there is ultra-leftist terrorism, which has lost all reasonableness and which has probably been infiltrated. Yet, nothing has been said about the fact that ultra-rightist groups are also operating. Worst of all, the Dina [National Intelligence Directorate] and the CNI [National Intelligence Center] have not been dissolved. On the contrary, their agents became state servants earning salaries paid from the national budget. What are those thousands of employees, who were involved in repression for 16 years, doing in their 17th year of work? There is a concealed world, the world of the agents of state terrorism. I do not rule out the possibility that members of leftist groups, who do not understand the changes in our life, may be manipulated to work for old terrorist objectives.

[Camus] The government has asked the PCCh to provide all the information it has on terrorist groups. What are your views on this request?

[Teitelboim] We have not had this information—if, indeed, it ever existed—for many years. We have no connection with these groups. But, we have also asked the government not to trust those responsible for the disappearances and tortures; that is, the representatives of state terrorism. While this hidden power exists, terrorism will repeatedly rise to achieve its objectives. It will perpetrate new attacks. The shadow of death and crime will not be eradicated from Chile while the purulent focus of terrorism, which comes from those who overthrew the government in 1973, is not eliminated. Moreover, we are not and we will not be informers.

[Camus] Does this mean you believe this is tantamount to an accusation?

[Teitelboim] We do not want to provide information on people who fought the dictatorship. We do not know who they are. How are we going to accuse people if we do not know the role they fulfill or who they are? We may remember some names, names that sounded familiar some years ago. But we do not know what they are doing now. This has to be investigated by government organizations. We are not the police. Politics is based on moral values, not complicity or concealment.

[Camus] What would you tell FPMR members who allege that nothing has changed in Chile?

[Teitelboim] We have urged all those who have arms not to carry out any armed actions, not to use them but, rather, to surrender their arms. But this should also be done by those on the other side who have guns, those who are responsible for the disappearance of 2,000 people and many more executions. Otherwise, the power of these agents of state terrorism will remain intact.

[Camus] Coalition members hold that the PCCh maintains an ambiguous conduct. Do you accept this criticism?

[Teitelboim] The word ambiguity has become a slogan when people refer to the PCCh. It is being misused, it is categorically wrong. We are totally against terrorism, against the use of arms. We support democracy. We want a full democracy. This is why we must achieve an agreement with all democratic sectors—with the PDC [Christian Democratic Party], PS [Socialist Party], PPD [Party for Democracy], PR [Radical Party], the coalition, the left which is not a member of the coalition, and the democratic sectors of the right. But we reject paternalism and we do not believe anyone should have the authority to impose an ultimatum on other parties.

[Camus] Are you referring to the PDC, which a few days ago demanded that the PCCh define itself with regard to its ties with the FPMR?

[Teitelboim] Yes. I dislike the word demand. We would never use such a word in our relations with the PDC. We are in favor of holding negotiations, of dialogue, discussions. We are interested in cooperating with the PDC to ensure the success of the Aylwin administration. We have normal relations with the socialists. We share many points of view because we share similar roots, traditions. We have followed the same paths. Nevertheless, our differences are discussed in a civilized manner.

[Camus] But your ties with the PPD are at a very low point...

[Teitelboim] Despite recent statements by Erick Schnake and Jorge Schaulson, we can have good relations with the PPD. Schnake has a strange passion for putting us on the dock, but we are aware that some within the PPD differ with his opinion. Many PPD members have phoned us to say they disagree with their leaders. We have not severed ties with the government or with the coalition. Moreover, top-level officials want dialogue with the PCCh and we share this interest.

[Camus] In recent days some socialist leaders have said "I believe in Volodia." How do you inerpret this statement?

[Teitelboim] They should believe in the PCCh, not Volodia. I am a leader who strives to interpret, as best as possible, the party line and the thinking of its collective leadership. I am the representative of the PCCh and I speak on its behalf. I am not always able to do this because anyone can make a mistake or talk to much. These things can happen. And, in the implacable world Chile has become, no one forgives a communist who talks too much.

Discusses Plenum

PY0405172491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 4 May 91

[Text] Volodia Teitelboim, Communist Party of Chile [PCCh] secretary general, has stated that the PCCh plenum is about to strengthen the transition and mobilizations. He was referring to progress achieved thus far in discussions that will conclude this weekend. Problems have been treated with absolute frankness and a diplomatic spirit, he said. He added that people are saying what they feel.

Teitelboim said there is better rapprochement between the PCCh and the national situation. In general, he was referring to the climate of liberty and democracy, which is an invaluable asset. But there also exists a conviction that the social situation has changed very little, he said.

Last year the PCCh experienced its worst internal crisis when a large number of members left the party.

Assembly Dissolution Viewed

PY0405182491 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 May 91

[Text] Volodia Teitelboim, Communist Party of Chile [PCCh] secretary general, has said that the Communist Renewal Assembly, Arco, which is made up of sectors that split from the PCCh, is about to dissolve, demonstrating that it is a futureless political adventure.

[Begin Teitelboim recording] The facts soon demonstrated this assertion because they have already split. Some of the members joined the PPD [Party for Democracy], others joined the Socialist Party, and some others will apparently join our party. [end recording]

This is understandable, Volodia Teitelboim said, because those who abandoned the PCCh said goodbye to Communism deep down. The party has left its doors open, however, for those who were confused by the media's praises of ARCO and the economic support it had.

Teitelboim discussed the situation of Arco during a recess of the PCCh Central Committee plenum that is taking place at its headquarters on San Pablo Street. The PCCh plenum is analyzing the party's position and the national political situation based on a document prepared by Manuel Cantero, a member of the PCCh Political Committee, who made a pessimistic evaluation of the process of transition to democracy and social problems.

Minister on Carabineros Role at Communist Rally

PY0605185891 Santiago Radio Chilena Network in Spanish 1700 GMT 6 May 91

[Text] Interior Minister Enrique Krauss has assured that the action by Carabineros personnel during a demonstration sponsored by the Communist Party on 4 May in western Santiago was totally legal, because the appropriate authorities had not been informed that it was going to take place.

This information was conveyed by the minister during a press conference at Government House after a meeting with PPD [Party for Democracy] Deputy Jorge Schaulsohn Brodsky, who expressed concern about the issue.

In this connection, the minister said:

[Begin Krauss recording] Well, it was within the law, because the situation developed the way I told you. When there is an unreported demonstration whose characteristics could raise doubts... [changes sentence pattern] There have recently been propaganda actions, right? During these actions, the Carabineros have had to take a very strong line. Consequently, it is perfectly understood that mistakes can be made.

Therefore, to avoid these mistakes—mistakes involving the appraisal of a public demonstration—it would be appropriate for whoever wants to stage a peaceful demonstration to comply with this condition. It is quite simple but very healthy from the viewpoint of coexistence. The authorities should be informed about how an area that belongs to all Chileans will be used. [end recording]

Krauss added that the Carabineros went to the area after a private citizen called the Carabineros Communications Unit saying that a political demonstration was being held in the area and that his car had been tampered with.

The minister said that the Interior Ministry has already received a report on the incidents by Communist leaders Jorge Insunza and Mireya Baltra, which was submitted on 4 May, a report by Deputy Jorge Schaulsohn Brodsky, and a report from the Carabineros. During a press conference that is being held now, the minister asked the Communist leaders to report on the incidents that occurred. Krauss said that on the basis of this information he will ask for a final report on the events that happened on 4 May.

'Shared Sovereignty' With Argentina Denied

PY0405192491 Madrid EFE in Spanish 0254 GMT 3 May 91

[Text] Santiago, 2 May (EFE)—Chilean Foreign Minister Enrique Silva Cimma today categorically denied that the so-called Laguna del Desierto [Desert Lake], a border strip between Chile and Argentina, will become a territory of shared sovereignty in the future.

According to what Silva Cimma said at the National Congress building, his words were distorted by the Colombian press. "By no means will it (Laguna del Desierto) belong to both Chile and Argentina," he said. This territory of 532 square km is located some 2,300 km south of Santiago, and border demarcation in this area has been pending since 1965.

According to reports made in Congress by opposition National Renewal Party Senator Hugo Ortiz de Filipi and Deputy Antonio Horvath, the zone "has been occupied by three Argentine Gendarmerie installations." In November 1965, under the administrations of then Chilean President Eduardo Frei and his Argentine counterpart, Arturo Illia, an armed incident took place in Laguna del Desierto, resulting in the death of Chilean Carabinero Lieutenant Hernan Merino Correa.

The two nations disagree on interpretation of the 1881 Border Treaty which says that "the border between Argentina and Chile is established by the Andean Mountains." This issue is one of 24 points being studied by the Argentine-Chilean border joint commission, which has already resolved 22 points. At this moment, it needs to reach an agreement on Laguna del Desierto and the southern region of the icy Patagonian territory. Silva Cimma told local press that "there will be no shared sovereignty in Laguna del Desierto, but that there is a project to turn the place into an ecological park that would encompass both the Chilean and the Argentine zones."

* Statistics Reveal Number of Crimes Committed

91SM0279C Santiago LA NACION in Spanish 25 Mar 91 pp 8-9

[Report by Reinaldo Berrios: "Increase in Crime—Not Too Much, Not Too Little]

[Excerpts] [passage omitted] Is crime really on the upswing in our country? LA NACION sought answers while a worried public continues to debate the issue. Statements by eminent politicians of several stripes—though for the most part misinformed—have contributed the the widespread impression that crime has increased to "alarming" levels in recent months. [passage omitted]

Statistics

Statistics confirm some supposed facts and debunk others. Crimes of the more spectacular sort have undoubtedly increased in recent months, but this does not mean that crime in general is up. Statistics on bank robberies and

murders have jumped significantly and have contributed to popularly held perceptions about the crime problem.

However, this hardly supports the idea that crime has overwhelmed the police. Contrary to widespread belief, crimes associated with terrorism have decreased. [passage omitted]

The Voice of Officialdom

The carabineros have made sophisticated plans to confront crime. They point to the media as a key factor in the public's perception of the issue. An officer who is an expert in the field said: "Under the previous regime, access to sources of information was far more restricted. Now reporters have ample facilities for gathering and disseminating news."

In addition, the officer said: "The more spectacular kinds of crime that get lots of press coverage have risen. This is the case with bank robberies. The crooks are so brazen that many of them do not even bother to arm themselves. They just use a piece of paper with a threat written on it. Here again the media contribute to the 'spiral' of violence. Some people—especially the young with frustrated aspirations—imitate what they see on television or read in the paper. There have been several arrests of persons with no criminal records who robbed banks because it looked 'easy' in the media."

So far this year, 27 bank offices have been the targets of robberies. If this pace continues, the annual figure for robberies with intimidation will surpass 120, for a rise of 200 percent over last year. Data from the Carabinero Office of Order and Security show a total haul of 260 million pesos for 19 such assaults in 1989.

While the number of bank robberies doubled in 1990, the total haul remained exactly the same: 260 million pesos. Bank executives have responded to the continuing wave of robberies (48 this year) by adopting measures to reduce risks and learning to live with "jabs" of less than 10 million pesos.

What they have not done is invest in security. One revealing bit of information was provided by the Office of Bank Supervision itself. During the past year, financial institutions spent $15 million on publicity and only $3 million on security. As one official put it: "When banks are that easy to rob, anybody would be tempted."

Another important figure from police sources is how much each bank robbery costs the taxpayer. "Every time personnel, equipment, and specialized gear are used it costs half a million pesos. And this is provided it is a false alarm. If a robbery has really occurred, then the use of helicopters and other equipment raises the cost to the government to 5 million pesos."

Disquieting Figures

In addition to bank robberies, authorities are concerned about the rise in the homicide rate. In 1989, there were 369 such crimes nationwide. A year later, the number had jumped to 385 for a rise of more than 40 percent.

Experts attribute this increase directly to "what career criminals learn from 'retired' subversives," our carabinero source said. "They are frequent collaborators, and they have the resolve to kill. They study their victims, and they do not hesitate to use their weapons if someone resists. This is a new phenomenon that requires further study."

Over and above explanations, one thing is certain: There is a problem, and the government is not alone in worrying about it. It is neither so grave nor so unusual as some claim. However, it does deserve public attention on a priority basis. Moreover, it is up to the public to help fight back.

Bomb Attacks	1989	1990
Bomb alerts	1,644	1,730
False alarms	1,040	1,302
Simulated devices	127	128
Devices detonated	303	242
Devices deactivated	42	42
Devices activated	20	16
Torched vehicles	36	3

	1989	1990	1991
Bank Attacks (Santiago)	19	48	27
Police Officers Killed	12	8	3

* Corvalan Comments on Pinochet, Armed Struggle

91SM0279B Santiago EL MERCURIO in Spanish 6 Apr 91 pp D4-D5

[Interview with Communist Party Central Committee member Luis Corvalan; place and date not given]

[Excerpts] [EL MERCURIO] How much do you hold yourself and your party responsible for the coup of 1973?

[Corvalan] In the first place, no human individual or group is exempt from committing errors. But I disagree with people on the left who beat their chests and say it was mainly their fault. They give the impression that the whole tragedy was largely attributable to their mistakes.

[EL MERCURIO] Do you refer to the renovated socialists?

[Corvalan] To everyone who espouses those views.

[EL MERCURIO] The Rettig Commission itself said that the situation in the country prior to 11 September, 1973, "gave rise to an institutional breakdown."

[Corvalan] I think that is a shortcoming, an error of the Rettig Commission. [passage omitted]

'Imprisoned Government'

[EL MERCURIO] Since your party is not in the government, does it support the the government?

[Corvalan] We are critical supporters. This government was forged to bring about the transition from dictatorship to democracy. It is a transitional government.

[EL MERCURIO] How would you describe it?

[Corvalan] Sluggish. It has been in office for a year and some days, and the transition is going very slowly. Having a democratic government that functions in an antidemocratic framework creates a major contradiction. It is a government imprisoned by a constitution whose laws are stacked against it, an imprisoned and threatened government.

[EL MERCURIO] Would you say that the boss is Pinochet?

[Corvalan] No. No, but Mr. Pinochet heads a sort of parallel power structure. I would not say he has the whole army on his side, but he is commander in chief. He has a majority in the Senate thanks to the appointed senators. He has the Supreme Court, the military justice system, and 320 to 335 mayors on his side.... And he has this Security Council that lets him engage in well-publicized debates with no need for modesty.

[EL MERCURIO] In your view is the country fully democratic?

[Corvalan] No. In the first place, I do not believe there is full democracy anywhere.

[EL MERCURIO] You only believe in real democracies?

[Corvalan] Of course. In real democracy. The dilemma now is between continuity and democracy. And we have this parallel democracy; it is a problem that must be solved. And everybody is coming out for institutional integrity. But it is this institutional integrity that must be changed. Moreover, that was the commitment behind Reconciliation. What Chile needs is: a new constitution, new political laws, the fostering of democracy at the municipal level....

[EL MERCURIO] And it seems to you that there have been few changes?

[Corvalan] Look, very few real changes have been achieved. For a starter, Pinochet is still commander in chief of the army. Second, the justice system remains the same....

[EL MERCURIO] What do you want, people's justice?

[Corvalan] No, I want autonomous, independent justice that does not shirk its obligations. Justice administered in a new way.

[EL MERCURIO] Popularly elected judges?

[Corvalan] There are plenty of formulas. It is a matter of looking for them.... And we still have appointed senators. You have to ask their leave for action on this bill or that. They reshape laws because they make up the majority. The election law is to blame for the absence of representative democracy in the legislature. This binominal system is not democratic enough.

[EL MERCURIO] Does Great Britain fall short of being a democratic country in your view?

[Corvalan] The presence of democracy aside, the binominal system is not democratic. Neither is a bipartisan system such as the one in the United States.

[EL MERCURIO] What about the one-party system in the Soviet Union and Cuba?

[Corvalan] It is not antidemocratic in itself, but it is when the ruling party imposes its will and is not organized democratically. In the case of Chile, the election laws create situations such as the one facing the Communists. We got 17 percent of the vote, but we do not now have a single senator or deputy.

Is the Communist Party in Decline?

[EL MERCURIO] Do you think the Communist Party has hung onto its electoral strength?

[Corvalan] I think changes on a global scale, situations that prevail throughout the socialist world, and our own problems as a party have caused a decline in our influence. However, we remain a major force.

[EL MERCURIO] Do you not see the Communist Party as an extinct species, a museum piece...?

[Corvalan] No. I am absolutely convinced that the Chilean Communist Party is indestructible. It successfully survived years of dictatorship. During its 70 years, it has sunk deep roots in people's consciences and hearts. There have been generations and generations of communists. We are linked to great causes in our country. When our party was founded, the situation in the north was horrible. They used stalks. Chilean currency did not circulate in the offices of the salt mining companies. They paid wages in scrip and had private police forces. And the party....

[EL MERCURIO] But we are talking about the Communist Party here and now. In your opinion, has it lost its relevance to Chile and the world?

[Corvalan] No. We play a political role as part of the Chilean left. And our performance has been positive on many occasions in Chilean history. The Popular Front....

[EL MERCURIO] The question is about the weight it now carries. It opted out of Reconciliation and was marginalized by its support of any kind of struggle, even armed struggle.

[Corvalan] Ah. (Laughs) That is another chapter. I believe those who say we now have no role to play are

wrong. Our present influence cannot be measured by the party's electoral strength alone without considering its grassroots ties and its alliances. It does not have the influence it used to have when our membership was much larger. Our mass following used to be much greater, and we had many more declared allies. We used to have a close working alliance with the Socialist Party. All this is obvious, but none of it means we will not be playing a very important role.

[EL MERCURIO] How? In isolation?

[Corvalan] The state of the left is absolutely transitory. Ever since its inception, the Chilean left has undergone periodic crises, times when its forces have rallied together and times when they have dispersed. Thus we had the Popular Front, the National Democratic Front, FRAP [expansion not given], Popular Unity, MDP [Popular Democratic Movement], the United Left. They are all leftist coalitions that formed and then dispersed. Now we have reached a time of dispersion for the left.

[EL MERCURIO] Where did the others go?

[Corvalan] Unfortunately, many on the left made a rush for the center, but this is a passing phenomenon. There are roads that have not been closed to the left. Right now it is not playing its role to the full, but it has done so in the past and will again. There are leftists beneath the umbrella of the Coalition [Coalition of Parties for Democracy] and leftists who are not.

[EL MERCURIO] How do you size up the left's influence within the government?

[Corvalan] The left within the government does not carry the weight it ought to. I do not regard the Coalition as a gathering of equals. There are those who reign supreme, who exercise hegemony.

[EL MERCURIO] Who exercises hegemony?

[Corvalan] The Christian Democrats undoubtedly. [passage omitted]

The Violent Path

[EL MERCURIO] Do you find justification for the use of violence during the former government?

[Corvalan] All forms of struggle were legitimate during the Pinochet dictatorship, which is not the same as saying every action that took place was correct.

[EL MERCURIO] Could these same criteria be used to argue that in the military campaign to prevent Communist dictatorship all forms of struggle were equally legitimate?

[Corvalan] No, because there was no danger of Communist dictatorship. Moreover, it was not a matter of resisting "the threat of military dictatorship" but of combating the reality of a dictatorship such as Pinochet's. During the Allende government, there was no dictatorship....

[EL MERCURIO] Among the actions in question, do you regard the assassination attempt against General Pinochet as legitimate?

[Corvalan] I share the view of Bishop Camus: history is bound to remember those kids as heroes.

[EL MERCURIO] But killing five members of his entourage...?

[Corvalan] No. They were not trying to kill members of the entourage. They were trying to kill the tyrant. Whether you approve or not, they believed this was the way to end the dictatorship.

[EL MERCURIO] And you think violence leads to democracy?

[Corvalan] Violence in itself, no. What leads to democracy is a movement with the necessary strength and fighting spirit and with the support of the people as a whole. In such a struggle the use of violence is legitimate. But isolated, in the absence of mass movements, it can also be counterproductive.

[EL MERCURIO] You have said the the Manuel Rodriguez Front is not the armed wing of the Communist Party but of the people and that its actions have won popular acceptance and applause.

[Corvalan] I stress that it is not the armed wing of the Communist Party. It emerged during the struggle against Pinochet in November and December 1984, and we applauded its appearance. We do not oppose any group formed in this period of struggle against the dictatorship.

'Just in Case'

[EL MERCURIO] Would you do anything to stop members of the Communist Party from joining the Front?

[Corvalan] Under previous conditions, no. At present, so far as I know, they remain in winter quarters.

[EL MERCURIO] And who is carrying out the attacks and assaults?

[Corvalan] No, well. That is all part of the plan to boycott the transition to democracy. These attacks are of very dubious origin.

[EL MERCURIO] Then what should the Front do under democracy? Dissolve?

[Corvalan] They are the ones who said it. They would have dissolved, but the situation has yet to clear up sufficiently. There could be a relapse. Remember that Pinochet said that if one of his men is touched, then so much for the rule of law. They have their hooks out in defense of institutional integrity, and what they are talking about is Pinochet's brand of institutional integrity which remains basically intact.... The situation is threatening. It includes a heavy element of blackmail that no force within a government ought to accept. It

seems to me there is a great deal of tolerance for generals and admirals whether in retirement or on active duty....

[EL MERCURIO] Do you fear a new coup d'etat?

[Corvalan] No. Conditions are not ripe for that either nationally or internationally. I don't think they exist in the ranks of the military itself, either. But it remains to be seen how the government reacts because if it keeps on giving ground, this amounts to collaboration with those who want the patient to get sick again.

[EL MERCURIO] Do you think a confrontational policy with the armed forces would favor the reestablishment of democracy?

[Corvalan] That is not the point. We are all obliged to ponder the risk of a coup, of the 18 years of dictatorship.... But the first step on the way out is for Mr. Pinochet to leave the scene. The doctrine of national security has to change.

[EL MERCURIO] It has also been said that there ought to be a Nuremberg in Chile....

[Corvalan] If my wishes had their way, yes. But I do not think conditions are right for that. Rather than talk about my wishes, I want to express a political opinion: a way must be found for Mr. Pinochet to step down as commander in chief of the army. Instead of denying everything, he needs to have the backbone to answer for the behavior of the men who make up the institution.

[EL MERCURIO] And, finally, what would you now say to members of the Lautaro and Manuel Rodriguez Front?

[Corvalan] To the youth who seek to weaken the government of Patricio Aylwin by their actions, I say they are not on the right road. But if there are any youth with weapons, I would say hang on to them...just in case.

* 'Declining' Role of Radical Party Discussed

91SM0279D Santiago HOY in Spanish 18-24 Mar 91 pp 18-19

[Text] The past few weeks have been turbulent for members of the Radical Party [PR]. It is undergoing an internal shake-up as the time approaches for electing a new party leadership. The vote is scheduled for the fourth week in April on a date to be set by the national committee.

However, the Radicals are in no danger. Their position in government is assured (at least for the next three years) as the third partner needed to maintain equilibrium between the PDC [Christian Democratic Party] and the PS-PPD [Socialist Party-Party for Democracy].

Internal discord reduces the PR's stature in the eyes of the public and seemingly confirms that it is among the most antiquated parties in the nascent democracy. It appears to lack young or technically sophisticated leaders and to depend on a power structure that grows out of by personal ties and the cultivation of corporativist followers.

The PR will survive the next few years by taking its stand on the side of reconciliation and Aylwin. However, its decline in public esteem is unlikely to be reversed either by its present leaders or those about to be elected.

Colombia

CNG Agrees To Begin Talks With Government

PA0705025291 Paris AFP in Spanish 0225 GMT 7 May 91

[Text] Bogota, 6 May (AFP)— According to a communique sent to the National Constituent Assembly today, the Simon Bolivar Guerrilla Coordinating Board (CNG) has agreed to begin peace talks with the Colombian Government.

The Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN) selected Carvo Norte, a small town in Arauca Intendency, in eastern Colombia, as the site of the talks. Three CNG delegates who sought diplomatic asylum in Venezuela recently will participate in the negotiations.

The guerrilla communique asked the government to guarantee the security of its representatives in that town and their subsequent return to Caracas, as well as the presence of newsmen at the site of the talks as supervisors of the negotiating process.

FARC Repeats Call To Start Talks in Country

PA0705002191 Madrid EFE in Spanish 2103 GMT 6 May 91

[Text] Bogota, 6 May (EFE) - The Revolutionary Armed Forces of Colombia (FARC) reiterated their call to the government to start the peace talks they are preparing in the country and not overseas as Colombian authorities are proposing. The chief of the FARC, Manuel Marulanda, also known as "Tirofijo," stressed this condition during a telephone interview granted to Television Espanola (TVE) from an undisclosed location in Colombia. During the interview Marulanda criticized President Cesar Gaviria's government's "negative" attitude about starting the peace talks.

The interview with "Tirofijo," who founded the FARC over 30 years ago, was held hours before the government announced on 5 May a new proposal to start the peace talks in 16 places in the country as an alternative to anywhere abroad. The FARC, which along with the Army of National Liberation (ELN) forms the Simon Bolivar National Guerrilla Coordinating Board (CNG), on 30 April sent three delegates to Bogota, who entered the Venezuelan Embassy and requested a dialogue with the Colombian Government. The government, however, did not grant the envoys the status they sought so they

requested political asylum from Venezuela and went to Caracas under diplomatic protection.

"One cannot understand this. After we put our representatives in Bogota and, in addition to that demonstration of good will, released 60 captured policemen and soldiers, I cannot understand why the president does not accept any type of dialogue," Marulanda added. "We have been facing this situation for days," said Marulanda, and he added that the government did not accept the FARC proposal for holding the first meeting in the La Uribe area of the Meta Department, in the eastern plains of Colombia.

It was there that the Army occupied that group's headquarters last December. "Tirofijo" himself and other commanders had lived there. The occupation unleashed a guerrilla offensive on the electrical and petroleum infrastructure and ambushes on soldiers and policemen.

Marulanda added that the CNG hopes that President Gaviria "will seek some mechanism so that our representatives may go to one of the many embassies in Bogota and begin a direct dialogue." Asked about the government's offer to start a dialogue in Caracas, Marulanda said that "the first dialogue must be held here so that all the mechanisms can be created, even if the talks must continue in Caracas later." Marulanda did not rule out the possibility of holding the subsequent meetings in Spain or any other of the countries that have offered their help, but he reiterated that the first meeting must be on national territory.

During the interview, Marulanda pointed out that if the government continues its opposition to holding the first meeting inside the country, then national opinion sooner or later will pressure it into speeding up the negotiations "because it cannot continue to excuse itself based on judicial affairs."

Marulanda, however, warned that up to now "we are not thinking of stepping up armed actions in response to the delay in starting the talks, despite the "siege" of the military forces after the "FARC" commanders. Marulanda concluded by saying: "What I believe is that the conditions are ripe and we have an organization ready on all our fronts to provide a response. As long as the government refuses to seek concrete solutions to the problems, the most likely thing is that we are headed toward taking over power."

Gaviria Addresses Journalists at Press Forum

PA0705044091 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 2 May 91

[Text] President Cesar Gaviria reiterated today that extradition cannot become the alternative for an efficient judicial system. When speaking at the Press for Democracy Forum before journalists from all over the Western Hemisphere, President Gaviria made other statements concerning freedom of the press. This has become a very controversial issue at the Constituent Assembly.

[Begin Gaviria recording] The position that is being studied and reformed at the commission level sets forth—besides the right to freely express and publish thoughts, ideas, and opinions—the guaranteed right to rectify and to respond. As far as the right to rectify is concerned, nobody seems to differ on this as it is an inborn principle of democracy and a de jure state. However, as far as the right to respond is concerned, understandable doubts have come up in numerous sectors. The response is understood as a contradictory reply to a certain opinion. The reply in itself is an obviously biased opinion, as much as the opinion expressed in the first place. It is an act of outright censorship to force the media to print—as soon as possible—all the contradictory or different opinions other than those expressed by the media. No medium will want to print its opinion for fear that its editions will be saturated with a countless number of divers opinions. [end recording]

Implementation of Constitutional Reforms Viewed

PA0605234191 Bogota EL NUEVO SIGLO in Spanish 2 May 91 p 1

[Text] In a sovereign, autonomous, absolute, and almighty act yesterday, the Constituent Assembly resolved that constitutional norms can immediately go into effect by means of constituent acts.

Legally, this means that constitutional reforms will not go into effect as a whole starting 4 July, rather they will become effective by means of constituent acts. In other words, these constitutional norms will go into effect whenever the Assembly Presidency decides.

The Constituent Assembly has also expressed itself politically by confirming its omnipotence and legitimacy, and ruling out the possibility of any body interfering with its decisions. It thereby became the gravitational axis of power in Colombia.

Starting today, the Constituent Assembly could, for example, vote against extradition and immediately enforce that part of the proposed constitutional reform. Or, if it deems it necessary, it could convene, by means of a constituent act, new parliamentarian elections on any date it sees fit.

This situation also means that Decree No. 1926 ceases to exist. From now on the Constituent Assembly will only answer to the people regarding its actions.

The proposal submitted by the National Salvation Movement [MSN], through Constituent Assembly member Carlos Lleras, took several Constituent Assembly members by surprise. After submitting it to a plenary session, a consensus formula was reached among the leading political forces—Liberal Party, MSN, and

the M-19 [19 April Movement]—which decided to approve the article under the title "Constituent Acts To Be Immediately Enforced."

According to these norms, these acts could go into effect "to guarantee the procedures and implementation of the acts reforming the Constitution."

Its procedure will be so expeditious that it will only need to be approved in two debates, and it would only need to be announced for discussion 24 hours in advance.

Almost simultaneously, Assembly member Carlos Lleras proposed, by means of a constituent act, the repeal of Articles 13 of the plebiscite and 218 of the Constitution, and the suspension of Articles 83 and part of Article 120 of the Constitution.

If this constituent act is approved, only a simple majority vote will be needed for any constitutional reform and there will be no special majority needed for electoral reforms.

* Poll Assesses Gaviria, CN Measures, CA

91WD0699A Bogota SEMANA in Spanish
2 Apr 91 pp 16-23

[Summary] Beginning on 7 August 1990, when President Cesar Gaviria took office, a plan was launched in Colombia to strengthen the justice system. The plan has been severely criticized. Among its most controversial aspects are Decrees 2047, 3030, and 303, which reduce the penalties for people who turn themselves in to Colombian authorities and confess their crimes. Despite the criticism and the initial reluctance of the United States to support this new way of dealing with the scourge of drugs, the government can show concrete results of this new policy: Three of the Ochoa brothers, Jorge Luis, Fabio, and Juan David, all members of the Medellin Cartel, are behind bars today in a jail at Itagui. Faceless Colombian judges are hearing their cases. All indications are that the majority of the Colombian public favors the official measures, although they believe that no more concessions should be made to solve this problem. This is revealed by the results of a survey conducted by the Napoleon Franco firm between 26 February and 3 March of this year. A total of 2,132 Colombian adults were interviewed in 120 different places throughout Colombia, including both urban and rural areas.

Although economic measures requiring great sacrifices by Colombians have been issued during the seven months of the Gaviria administration, and although the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN) have stepped up their terrorist attacks in the face of futile attempts by the Army to neutralize them, the president still enjoys high levels of popularity. Nevertheless, the majority of Colombians feel that Gaviria has serious problems to solve, and they believe that the most difficult of all is not drug trafficking or guerrilla warfare, but unemployment.

But despite the difficulties, Colombians can see a ray of light at the end of the tunnel. They have pinned their hopes on the National Constituent Assembly, and the majority of them believe that this body will bring about major positive changes in the country.

SEMANA publishes here the most interesting results of the survey:

In May 1990, 69 percent of those surveyed had a favorable opinion of President Gaviria's performance, while 19 percent expressed an unfavorable one. By October 1990, the favorable category had dropped to 65 percent, with the unfavorable category rising to 25 percent. In February 1991, the survey revealed that 66 percent of the respondents had a favorable view of President Gaviria's performance, while 20 percent had an unfavorable view.

When asked what are the most serious problems to be solved by the president, the 2,132 respondents gave the following answers: reducing unemployment, 28 percent; peace with the guerrillas, 15 percent; improving education, 12 percent; eliminating terrorism, 9 percent; curbing inflation, 9 percent; improving public safety, 6 percent; eliminating corruption, 6 percent; finding a solution to drug trafficking, 5 percent; building housing, 4 percent; improving health, 2 percent; and reforming the justice system, 2 percent.

When asked which problem they think will be most difficult to solve, the participants in the poll responded as follows: reducing unemployment, 28 percent; peace with the guerrillas, 15 percent; improving education, 12 percent; eliminating terrorism, 9 percent; curbing inflation, 9 percent; improving public safety, 6 percent; eliminating corruption, 6 percent; finding a solution to drug trafficking, 5 percent; building housing, 4 percent; improving health, 2 percent; and reforming the justice system, 2 percent.

The recent measures concerning drug trafficking were regarded as "good" by 74 percent of the respondents, "fair" by 16 percent, and "bad" by 7 percent. When asked whether they thought the drug trafficking measures are enough, or if more should be done, the majority of those interviewed (46 percent) said they are enough, while 36 percent said more should be done, and 14 percent declared that the measures have gotten out of hand.

President Gaviria's policy on drug traffickers was described as "strong" by 25 percent of the respondents; 16 percent said that it is "astute"; and 17 percent picked "brave" as the correct adjective, in contrast to another 17 percent who thought of the policy as "weak." Thirteen percent responded that the policy is "ill-advised," 6 percent said it is "opportunistic," and the remaining 6 percent had no response or did not know.

When asked, "Do you think the Colombian justice system is capable of trying the drug traffickers who

surrender?" 72 percent said yes, 22 percent said no, and 6 percent either had no response or did not know.

The reforms that will be brought about by the Constituent Assembly were described as "good" by 47 percent of the participants in the survey, while 37 percent thought they would be "fair," and 10 percent said "bad."

In response to the question, "Do you think the Constituent Assembly will bring change to the country?" 73 percent of those interviewed said yes, while 19 percent said no.

The participants in the poll reported their party affiliations as follows: Liberal, 36 percent; no party affiliation, 30 percent; Conservative, 14 percent; M-19, 8 percent; Independent, 7 percent; National Salvation, 3 percent; no response, 2 percent; and Patriotic Union (UP), 1 percent.

Paraguay

Finance Minister on Debt, Possible Laundering

PY0405222091 Asuncion ABC COLOR in Spanish 4 May 91 p 11

[Text] Finance Minister Juan Jose Diaz Perez said yesterday that Japan has conditioned the continued provision of financial assistance to Paraguay on our country giving up its plan to ask for a discount on its foreign debt with the Paris Club. He also announced that customs taxes on exports will be totally lifted and that there is no new economic plan but rather an arrangement of individual measures.

The Japanese delegates at a meeting of the World Bank Development Committee in Washington have said that the Latin American countries, including Paraguay, will have to give up their plans to ask for discounts on their foreign debts with the Paris Club if they want to continue to receive financial assistance from Japan.

This was reported yesterday by Finance Minister Juan Jose Diaz Perez after a meeting of the economic team. The finance minister, along with Jose E. Paez, Paraguayan Central Bank [BCP] president, participated in the aforementioned World Bank meeting early this week.

At the meeting the Latin American delegates asked the creditor countries to grant this region of the world the same benefits accorded Poland and Egypt in foreign debt matters.

Diaz Perez said Japan's response did not keep anyone waiting and was as straightforward as it was in Nagoya at the Inter-American Development Bank meeting. He recalled that his Japanese counterpart mentioned Mexico and Paraguay as large recipients of Japanese assistance in Latin America.

The finance minister also said that he did not know if the national government will choose to ask the Paris Club for a discount or accept Japan's conditions in order to continue receiving Japanese credits.

Asked which was the best choice, the finance minister said: "It is an issue that must be very carefully reviewed. In a rather quick assessment, however, I believe it is better to continue receiving the Japanese assistance, as we do not have enough domestic funds to continue our development."

The finance minister admitted that Japan is not the only country that can help Paraguay and that for this reason he had decided to hold off on establishing a clear position on the issue.

Asked if there was any urgent deadline on making a decision, the finance minister said that, at the most, the year should be used in order to make a final decision on this issue. "We cannot let this year pass without renegotiating our foreign debt," he said.

The finance minister then mentioned that Bolivia had decided not to ask the Paris Club for any discount and to renegotiate its debt in terms of installments and interest rates.

Moving on, the finance minister reiterated that an exploratory IMF mission will be arriving in our country in the second half of May. The group will review first quarter results in terms of the goals of the monetary program agreed upon in October 1990.

The finance minister then noted that the economic team discussed the "outline" of the economic plan for the first time yesterday and that this issue will continue to be discussed for a long time.

Turning to another issue, the finance minister admitted that the economic team was concerned about the large number of dollars on the market, which forces the BCP to purchase foreign exchange daily in order to maintain the exchange rate over 1,330 guaranies per dollar. Diaz Perez said, however, that the origin of that foreign exchange has not been reviewed despite a general presumption that it involves dollars laundered by drug traffickers and other illegal dollar operations.

Peru

Fujimori on Technology, Cuban Cooperation

PY0605153091 Lima RTP Television Network in Spanish 0210 GMT 6 May 91

[Address by President Alberto Fujimori to workers at the Cartavio Sugar Mill; date not given—recorded]

[Excerpt] [passage omitted] My administration has decided to reactivate the sugar industry because it is in the national interest. More than 35,000 families depend directly on this industry. As an agronomist, as a man linked with toiling in the fields, I do not ignore the many

problems you have. I identify with these problems and promise to reactivate the sugar industry. [applause]

We have taken the first, decisive steps to solve these problems. I specifically refer to Decrees 0991 and 01191, which deal with the possession of land. These decrees enable tenants to obtain credit from private banks. The government is thus stimulating production and not facilitating the return of rural caciquism as some so-called experts on social phenomena seem to believe. You are aware of the extent of these decrees and know that through them, the properties of peasants will be consolidated and their rights safeguarded.

Through Decree 02191, work [word indistinct] nullifies the contributions made to the workers cooperatives because it is unfair and absurd to have to pay for hospitals, doctors, nurses, and medics that assist you when you have already contributed to the health service. You will cease to pay these quotas but not those for retirement. [applause] We thus intend to streamline the economies of the cooperatives.

We are now promoting technological exchange with Cuba to reactivate our sugar industry, which has not been modernized in more than 20 years. We have also noticed that maintenance of existing equipment has been overlooked and that no new varieties of sugar cane have been introduced in the country, despite the worldwide applied genetics boom. This concretely demonstrates the backwardness that I witnessed during a recent helicopter reconnaissance flight.

With technical support from the Cuban Government, we have reviewed each company and will implement the recommendations made by their experts. In some cases we are already implementing these recommendations. The El Ingenio Sugar Cooperative, for example, will very soon begin the construction of a new boiler and will remodel its facilities with governmental support, in addition to having already considerably improved its grinding capacity. [applause] [passage omitted]

* Escaped MRTA Head Denies Police Complicity

91WR0190Z Lima CARETAS in Spanish
25 Mar 91 pp 32-36

[Interview with Tupac Amaru Revolutionary Movement [MRTA] leader Lucero Cumpa by Abilio Arroyo; place and date not given—first paragraph is CARETAS introduction]

[Excerpt] [passage omitted] Following Cumpa's bloody escape, the heads of top police officials—and those of at least a dozen lesser officers and subordinates—are hanging by a thread. They are accused of negligence, corruption, and even of being infiltrators. The version Lucero Cumpa gives supports the hypothesis that simple neglect and lack of professionalism were to blame for what happened. It is hard to believe. It seems more likely that the MRTA leader is trying to protect her accomplices and that her organization does not wish to expose them. They may be paving the way for further action. This, the escape through the tunnel, internal rifts, the killing of peasants, her support of [Saddam] Husayn, and the Abimael Guzman videotape are the subjects of the following interview.

[Arroyo] Why does Lucero Cumpa speak on behalf of her organization?

[Cumpa] The MRTA leadership deems it appropriate to explain how the rescue occurred in order to avoid distortions. Obviously, the purpose is to benefit the organization politically and militarily. A well aimed blow was struck, and it exposed the moral and military inability of the forces of repression to slow the advance of the people.

[Arroyo] Reliable sources told CARETAS that MRTA paid $70,000 to make your rescue possible.

[Cumpa] That is false. We did not buy off the police. This kind of information is an attempt to belittle the operation required to free me. Moreover, the method of transfer from CEDETRAN [Temporary Women's Detention Center] to the Palace of Justice was always the same.

[Arroyo] You had visits all weekend until minutes before your rescue. In addition, you left the jail for breakfast. Doesn't this imply a certain amount of police complicity with MRTA?

[Cumpa] Yes, I had visits from my family, but an officer from police investigations was present at all times. It is untrue that I left CEDETRAN for breakfast on Monday the ninth.

[Arroyo] Then how did you learn you were going to be moved on Monday, the ninth, if you did not have a summons to appear in any court?

[Cumpa] In the first place, I have several court cases pending. Some of them have nothing to do with me. On the other hand, we have studied police mechanisms. They always did the same thing. An MRTA group confirmed that I got into the vehicle taking me to court. When the action began, I was just as surprised as the others being moved.

[Arroyo] However, the other inmate being transferred, alleged Shining Path leader Nelly Evans, and the survivors of the bloody rescue stated that you were particularly talkative that day as if trying to distract the police. Does this not show you knew what was up?

[Cumpa] Once again, I consider that an attempt to explain away lack of preparation on the part of the police. What I mean to say is that claims of police collaboration are false.

[Arroyo] What was your role in the escape from the Canto Grande Prison?

[Cumpa] That takes us back to 1987 when a group of comrades was chosen for the task. Inside the jail there were three of us who knew about the action. In the women's wing I knew. A comrade in the men's wing and Commander Rolando also knew. (The reference is to MRTA leader Victor Polay.)

[Arroyo] Is it true that Victor Polay had the keys to his cell?

[Cumpa] That was common at the jail. So did the "political prisoners" and also the other inmates.

[Arroyo] But in addition to his cell, Polay also had the keys for the floor and even the wing...

[Cumpa] I think there is a shortage of information there. People had keys in the other wings, too.

[Arroyo] The people with you, for example. Did your group have a key to the women's wing?

[Cumpa] Things were more complicated in our case. We had no access to the keys, but there were plans in the works that took into account the location of our wing. Some mistakes occurred at the time of the escape, and the police realized something was happening. This is why we chose to hit them with a bottle and make a run for the opening of the tunnel in the men's wing while some comrades covered us.

[Arroyo] But you cannot deny the suspicious behavior of the police in charge of jail security on the morning of 9 July when you escaped. Do you rule out complicity here, too?

[Cumpa] That is the line most often heard and the one the media circulate. In fact, there was even talk about a joint effort with APRA [American Popular Revolutionary Alliance], which is totally false. It all amounts to an attempt to belittle the work of the people. Those involved included workers and miners who worked patiently and voluntarily to dig those 365 meters. The initial plan was to dig a passage 1.40 meters high. Later this was reduced to 1.20 because we wanted to speed up construction so the escape would occur during the administration of [former Peruvian President] Alan Garcia and damage him politically.

[Arroyo] I repeat, the police were suspiciously negligent regarding the tunnel. Two months earlier some prison guards and INPE [National Institute of Prisons] employees circulated advisories about a possible escape by inmates.

[Cumpa] In this regard, you have to say that the leadership of the police and Armed Forces is corrupt. In the specific case of Canto Grande Prison, it is public knowledge that appropriations for security went unused. The escape blew that wide open, but how often did they do the same thing.... You see, corruption is not just a problem at the lower levels. It is also—and most of all—a problem among officials at the top.

[Arroyo] What do you think about the judicial branch?

[Cumpa] The judicial branch is supposed to administer justice impartially. But more and more it is being sucked into the system and taking partisan positions. I think there are sectors that are honest and incorruptible, but most are not.

[Arroyo] Is it true that Polay is regrouping in the Huallaga [Valley] after the breakup of his organization by the security forces?

[Cumpa] The commander in chief, his fellow leaders, intermediate officers, and mass following are all at their battle stations. The whereabouts of (Polay) depends on the needs of the revolution.

[Arroyo] In an interview with CARETAS a few days before the escape, Polay stated the conditions under which MRTA would hand over its arms and resume participation in the democratic process. What went wrong?

[Cumpa] Our political proposals must meet with approval at the grassroots. However, such propositions as peace and justice come first, and they never change. In July there was a change of government, and the movement waited to see what would happen. Then the new administration deceived the people, and that obliged us to make a stand.

[Arroyo] Exactly what, in your group's opinion, made the pacification process fail?

[Cumpa] The Fujimori administration betrayed the people politically, economically, and morally. At first it showed signs of being a good option for the people. It put forth proposals for pacification and economic recovery. Upon taking power, however, it used [economic] shock treatment followed by the liberalism of Minister Bolona. This amounted to implementing the Fredemo [Democratic Front] economic program, and the real Fujimori stepped out from behind the mask. From a military standpoint, he has surrounded himself with leaders of the armed forces who guarantee political stability. Moreover, passage of his most recent bills is going to mean mass layoffs, more recession, more hunger. This the people cannot forgive, and, having been deceived, they have every right to incite rebellion.

[Arroyo] What role did [Legislative] Deputy Gerardo Lopez play in the quest for pacification after you abducted him and used him as a mediator with the government?

[Cumpa] We were always in favor of maintaining a dialogue but not with Mr. Fujimori and his group because they betrayed the people. However, we wanted the pacification proposal to be made public, and we decided it should be done through him.

[Arroyo] But why specifically through Lopez? Perhaps because he had approached members of MRTA in Villa El Salvador?

[Cumpa] That had no bearing on the choosing of our objective.

[Arroyo] There are those who say Deputy Lopez abducted himself for his own propaganda purposes and to give MRTA a way to announce its peace proposal to the public.

[Cumpa] The real truth is that there are internal contradictions within Cambio 90. It is untrue that MRTA wished to take advantage of this situation. In the case of Mr. Lopez, his behavior says it all.

[Arroyo] Many people say there are divisions withing MRTA. The most recent signs of this were statements to the press by Sistero Garcia, "Ricardo." He openly criticized Polay and the people around him.

[Cumpa] Every time there is talk of splits, it comes after we have struck a telling blow. MRTA is united politically and militarily.

[Arroyo] What happened to "Ricardo"?

[Cumpa] You mean Sistero Garcia?

[Arroyo] Yes.

[Cumpa] The fact is Commander "Ricardo" has not been arrested. The person who has been arrested is an important member of MRTA's northeastern front. Concerning what he said, we'll have to wait and see because a great many things are distorted by the police and the media. We trust him.

[Arroyo] Is it true that when you were captured in 1987 you were pregnant by Nestor Serpa Cartolini?

[Cumpa] (Laughs, then resumes her austere demeanor) I was pregnant in 1987. Now, what unites us with Comrade Serpa Cartolini is political-military unity (as received). Not any sentimental attachment.

[Arroyo] The police say you led the latest attacks on the U.S. Embassy and on business establishments in solidarity with the dictator Saddam Husayn....

[Cumpa] Since we began the armed struggle, we have made our anti-imperialist position very clear. Whoever says we are knee-jerk supporters of Saddam Husayn was just trying to undermine our position. We do not defend Husayn. What we were trying to do was come to the defense of the Arab people.

[Arroyo] Do you condemn Husayn behavior or not?

[Cumpa] We think he should be judged by his own people.

[Arroyo] Exactly. In the wake of his defeat, there is a massive outcry for renovation in his country. Husayn remains in power with no regard for the toll he is taking in misery. He is massacring his own people now that they are demanding change.

[Cumpa] As a matter of principle, we believe in the self-determination of people to choose their own destiny. Our concern is the way our own revolutionary process develops.

[Arroyo] Might it not have been a political error to attack the PESEVISA [Peruvian Security and Vigilance Enterprise] agency in February of this year? Two perfectly ordinary men who were in no way imperialists died with their bodies shot to pieces.

[Cumpa] We are very careful in selecting our military objectives, especially when politics are involved. Moreover, we respect the wounded and prisoners taken in combat as occurred in Juanjui. It is true that in the recent campaign you refer to there were deaths, but nationality is not just a matter of birthplace. It also depends on the interests you defend.

[Arroyo] But the PESEVISA security guards defended no imperialist interest. They were working to feed their families.

[Cumpa] To be very specific, they knew they were working for a company that provided security services for the U.S. Embassy. In addition, the explosive was placed under the vehicle. They were warned it was there, but they tried to disarm it. (This is false. Witnesses told CARETAS the bomb was thrown from a vehicle. The guards had no time to react, and they were blown to pieces.)

[Arroyo] Is your group worried about looking more and more like Shining Path when anti-imperialist rhetoric leads to the killing of innocent people?

[Cumpa] I think it is clear that an attempt is being made to lump us together with Shining Path.

[Arroyo] What about the assassination of Judge Cesar Ruiz Trigoso?

[Cumpa] The corruption of that judge was well known. He received money from business people and had close ties to the armed forces and the police.

(Ten days before his assassination by MRTA, Judge Trigoso ordered the removal of workers occupying the Carbolan Company. With help from the police he also won the freedom of the manager who had been taken hostage.)

[Arroyo] That is your opinion of Judge Trigoso, which, of course, we do not share. But what do you have to say about the killing of peasants in the Mantaro Valley after Shining Path forced them to play certain roles?

[Cumpa] MRTA recognizes that it, too, makes mistakes, but the information you are giving me is false. We had no intention of killing peasants. Our targets were top political, military, and economic leaders.

[Arroyo] I heard with my own ears the complaints about peasant killings by MRTA from residents of the community of San Blas north of Chupaca in the Mantaro Valley in November 1990.

[Cumpa] That kind of conduct is against our principles. In any case, the combatant who made that decision must answer for it to his superiors.

[Arroyo] Your people reject what you call squealing. However, in Huancayo and, to be more specific, at Central University [Universidad del Centro] you have put lists on the walls giving the full names of people you regard as followers of Shining Path.

[Cumpa] The Mantaro Valley area is very complex. What Shining Path did has given guerrillas a bad image. The confrontation with Shining Path is terrible and not just in that area. Unfortunately, our comrades go looking for confrontation, even armed confrontation, and leave other priorities aside. What is happening at the university proves it.

[Arroyo] There have also been armed confrontations between Shining Path and MRTA in the Upper Huallaga Valley.

[Cumpa] That is right, but we are not the ones looking for it. It should be perfectly clear that Shining Path is in no way our enemy. They are the ones who play into the hands of counterrevolution by supporting the use of armed force. The ones who will determine how the process is played out in the end are the masses, and I think Shining Path is going to lose their support.

[Arroyo] Do you have figures for how many MRTA followers have died in this kind of confrontation?

[Cumpa] They exist. It is a very delicate matter which it is up to the national leadership to handle. It cannot be made public.

(She also declined to answer questions about kidnappings and how many people are now being held captive. She issued similar denials when asked if she took part in the abduction of Hory Chlimper.)

[Arroyo] The situation seems different in Lima. It has been learned that in the north and south cone candidates from Shining Path and MRTA ran on joint tickets for election to leadership posts in the education sector. Is that true?

[Cumpa] The bit about joint tickets sounds a little strange to me, but the drafting of grassroots tickets with members of one organization and the other is up to the people themselves. But it really does surprise me.

[Arroyo] What is your opinion of the videotape of Abimael Guzman and his people?

[Cumpa] There is a contradiction between the image Shining Path projects of its leader and what appears on the videotape. But Shining Path has to answer for its own shortcomings or errors. It's not up to us to pass judgment. The people will do that.

(With the dialogue ended, a photo session began. While the finishing touches were put on the MRTA props, Lucero Cumpa committed what appeared to be a slip of the tongue. In so doing, she compromised the position of those who arrested her two weeks ago. "You know what?" she said. "The police station in Magdalena is corrupt. They wanted $50,000 to turn me loose....")

It was a strange revelation. All through the interview, Cumpa insisted on defending the police security guards at CEDETRAN, on route to the Palace of Justice, and at Canto Grande Prison. She left the clear impression that she wanted to incriminate the agents who did their duty by arresting her and to clear those who—through negligence or complicity—permitted the escape through the tunnel and the rescue of Cumpa.)

Venezuela

Perez Discusses Drugs, Relations With Colombia

PA0705041691 Caracas Venezolana de Television Network in Spanish 2300 GMT 5 May 91

[News conference by President Carlos Andres Perez with Venezuelan and Colombian reporters at Stanford University in California—live]

[Excerpts] [passage omitted] [Salgar] I am Jose Salgar, co-editor of Bogota's EL ESPECTADOR newspaper. I am happy to see you. We remember you fondly because of your kindness to the Colombian press. I recall your visit to our newspaper when our slain editor Guillermo Cano was still alive. My question is related to the press and drug trafficking. A forum of journalists from America and Europe just met in Bogota and issued a special declaration. It praised the courage and suffering of Colombian reporters and issued an appeal to the world saying that Colombia is alone and besieged by this international plight. The declaration asked nations, primarily the developed countries, that just as they came to defend Kuwait, there are many more reasons why the world must come [20-second break in reception]

[Perez] . . . but it is not alone. It has the solidarty of all our fatherlands that suffer along with Colombia when they see what is happening. They admire EL ESPECTADOR's courage and willigness to fight, especially since this newspaper has faced perhaps one of the most difficult situations, and paid a very high price for decisively standing up to drug traffickers. I remember Guillermo Cano quite well. I always remember all the help EL ESPECTADOR gave Venezuelans while we led the opposition against our country's last dictatorship.

I fully agree with the decisions made at this forum on drug trafficking. I think all our countries must seek to achieve a solid unity against it, and that Colombia must

receive direct cooperation and not just words of encouragement. We believe that President Cesar Gaviria's stand is in line with the requirements of a rational and intelligent struggle against drug trafficking.

Venezuela is already suffering the consequences of drug trafficking. The drugs are not made in our country, but they are moved through our country on the way to others. Drugs are also having a strong impact on the Venezuelan population. We must increase actions against these drugs, and not just out of solidarity but because it is in our own interest. This is one of the topics I will discuss with President Gaviria on 7 and 8 May, during my visit to Colombia. I will be ready to reach any and all agreements necessary to solidify the cooperation between Venezuela and Colombia which will help in defending our people against this evil drug trade. [passage omitted]

[Uribe] I am Juan Pablo Uribe, editor of Bogota's EL NUEVO SIGLO. Mr. President, we know you are greatly interested in helping Colombia attain peace. Will you be prepared to serve as mediator or directly mediate between the Colombian Government and the Simon Bolivar National Guerrilla Coordinating Board during your upcoming visit to Bogota?

[Perez] These are very delicate topics. My temperament and willingness to face these situations are well known. I do not agree with that old concept according to which our countries were separated by a kind of barbed wire and everything one country did in regard to the other was viewed as meddling. I have proven that in all of my actions. I must say that I cannot do a thing, especially since I am the president of a neighboring republic, without the approval or request of President Gaviria and the Colombian Government.

In Nicaragua and El Salvador we have been deeply involved and indeed met with the Salvadoran guerrillas—and the Sandinists in the past—and held talks with those governments. This being the case, I believe there is even more reason to do the same in Colombia. This, however, must be in line with the plans and decisions of the Colombian Government. I feel one cannot ask for greater daring than that of President Gaviria as he has tried to tackle these problems. Venezuela is prepared to contribute all it can to solve the Colombian problem.

In fact, we are quite interested. It is well known that we are also affected by the Colombian guerrilla groups' problem; not just by the drug problem. We are frequently subject to raids by the Colombian guerrilla groups into Venezuelan territory, and the Venezuelan farmers have seriously protested the degree of instability and uncertainty created by these raids. Many times these raids have resulted in the kidnapping of Venezuelan farmers and businessmen. This brings a lot of anguish to a great many families throughout a large region of Venezuela. We are all suffering this.

We certainly understand that this is our share of the sacrifice but....[Perez changes thought] that is why are interested in bringing a quick end to these Colombian guerrilla groups. We obviously want to curb these raids across our border, and the Colombian Government has absolutely no responsibility for this. On the contrary, we have been implementing cooperative programs between the Colombian Armed Forces and the Venezuelan Armed Forces, and between our police, to allow us more effective controls against these border incursions.

This will be one of the topics we will discuss with President Gaviria during my visit to Bogota. We want to guarantee, to the greatest degree possible, that our territory is not again disturbed by these Colombian guerrilla groups.

[Montejo] Alejandro Montejo, "Cripton" television newscast. Good afternoon, Mr. President. My question somehow complements the preceding question asked by Dr. Uribe. Two important events have occurred in recent hours: Three Colombian guerrilla members were granted asylum in Venezuela. The Colombian Government has chosen 17 places in three Colombian regions as possible sites for preliminary contacts with the Colombian guerrilla groups. Since those three guerrilla members are in Venezuela, your government might have to decide if it will host the so-called direct dialogue—once the issue of a site is settled. Mr. President, my question is this: What would your government's attitude be if it is necessary to choose your country as the site for direct dialogue?

[Perez] We granted the asylum as soon as it was requested because this is a doctrine and tradition both in Venezuela and Colombia. We received the refugees in Venezuela in accordance with our international pledges and our democratic and humanitarian vocation. We would, of course, grant all the cooperation requested of us by the Colombian Government to carry out the dialogue the government and the guerrilla groups wish to hold to end the violence in Colombia. Furthermore, this would liberate us from the burden we share at the border. Consequently, the Colombian Government may count on Venezuela's cooperation. [passage omitted]

[Vargas] Mr. President, Roberto Vargas, from COLPRENSA news agency. Mr. President, you talked about the aid that other nations may give Colombia in the struggle against drug trafficking. I would like to know, specifically what other mechanisms could Venezuela use to help our country in this struggle?

[Perez] I think that our best cooperation is essentially an active solidarity. We must convince the United States and the European nations that the problem not only lies in the countries that produce the drugs; it also involves the financing and the consumption of drugs. If we lack the decision and strong will to limit and control consumption, and to face the financing problem, it becomes difficult for countries like Colombia, Peru, and Bolivia to solve the problem. That is one way we can help. The other one is not to spare any effort in helping in every possible way we can. We must establish such cooperative

ties between our two countries' border authorities. When we do this we will be able to sincerely and seriously build a wall to stop drug trafficking from causing us so much damage, and from threatening our nation's future. [passage omitted]

* Fedecamaras Head on Future Economic Pitfalls

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[Interview with Fedecamaras President Eddo Polesel by Rosita Regalado; place and date not given: "Inflation Continues To Win the Battle, Fedecamaras Warns"]

[Text] If the rate of inflation is not brought to below 20 percent by the end of the year, then all the efforts made to improve the living conditions of Venezuelans and any advantage we might have in competing with foreign products will unfortunately go for naught because the battle against inflation is yet to be won.

This warning was issued by Eddo Polesel, president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], during an interview in which she pointed out a number of dangerous factors that continue to emerge, such as a possible new increase in interest rates, in addition to others.

[EL NACIONAL] What is the situation of Venezuelan businesses now with the presence of foreign goods as a result of full enforcement of the trade reform, pressure from labor to increase wages, and uncontrolled inflation?

[Polesel] We must emphasize the most important thing that occurred last year in worker-management relations, the fact that despite the difficulties we are experiencing, increases were granted in accordance with demands, which indicates that we are trying to keep up with the times. Furthermore, with regard to skilled labor, we have insisted and obviously found support for our position that the program of transition from a closed to a competitive economy implies fighting on several fronts at the same time, fronts that naturally include unemployment. Consequently, we support the program of the shutdown and, at the same time, continue to demand the regionalization and decentralization of INCE [National Institute of Cooperative Education], which is perhaps the only official organization that has completed its first phase of reorganization. In addition, through its programs and those in private enterprise, we are trying to speed up the training of skilled labor that is now essential.

Trade Opening and Effects

Concerning the effects of the trade opening on business, Polesel admitted that some sectors have been seriously affected.

[Polesel] The opening we think the country needs is one that will first of all increase our exports. To do so, we must improve domestic efficiency, which to a great extent has to do with human resources and, to some extent, support services which the public sector must provide for the private sector, not as subsidies, but rather, as programs to finance reorganization in businesses that require investments. Unfortunately, recent days have seen a trend toward rising interest rates, which runs counter to the possibility of obtaining capital to finance expansion programs.

All-Out Attack on Inflation

[Polesel] We emphasize that we must attack the prime evil, which is inflation. In order to do so, we must go after the volume and use of the public sector's resources.

[EL NACIONAL] Do you think the country has adequate human resources to meet the demand that will be generated by privatization programs, megaprojects, and industrial reconversion?

[Polesel] No. The human resources available in the country at the present time are not adequate. That is why we insist that training programs must be stepped up with INCE and private institutions, with suitable coordination in order to speed up such training. Public services must obviously be improved, as in the case of customs, and as soon as possible. There are three key points to be emphasized here: first of all, reducing inflation; second, improving public and private efficiency, which has to do with human resources and public services; and third, maintaining social peace. The latter means we must strengthen relations between workers and businessmen via their leaders and try to achieve settlements and the discussion of contracts and working conditions within existing frameworks. Such conditions do not exist at the present time.

We emphasize that in order for the economy to begin to operate within the new mechanisms of a market economy, we need to legislate, and we therefore stress the urgent need for a law stimulating competition, which should be a framework-law setting forth parameters on how the economy must function. Next, we must revise the proposed Consumer Protection Law in order to adapt it to new needs. We urgently need the antidumping law so there may be fair competition with imported products. Otherwise, national production could suffer great pressure.

[EL NACIONAL] Do you have any news on companies paralyzed by the trade reform?

[Polesel] Yes, through Conindustrial [Venezuelan Council of Industry] we have been informed of the situation in the shoe industry. What has happened is that the latest tariff modification put pressure on certain sectors. That is why we must make a more in-depth analysis because the next tariff adjustments should be made in the presence of a series of mechanisms which, even if we do accept a reduction in protection, would improve internal efficiency because it could have a heavy impact on national industry. We feel that the opening must be accompanied by a series of measures of which the executive branch is aware because we

informed it directly and through sectorial organizations of national private production. It is not that we are against the trade opening, but we are asking that it not be carried out in an isolated manner.

* Study Indicates Decline in Purchasing Power

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[Article by Elizabeth Araujo: "Venezuelan Consumer Capacity Will Deteriorate"]

[Text] Based on the country's economic indicators for this year as published by Datos, Inc., Venezuelan consumer trends will basically be toward fewer and smaller products, given the fact that purchasing power will increase a bare 1.5 percent over the current wage.

Datos used a population figure for 1991 of 22 million (verifiable), plus another 1.5 million unverifiable, meaning that by the year 2000, the population will have increased 28 percent over 1989.

The study shows that Class E (the poorest sector of the population) has grown enormously, inasmuch as from 32 percent in 1987, it now accounts for 45 percent of the population.

Level of Consumption Plummets

Last Friday was International Consumer Rights Day except in Venezuela, and we watch anxiously as our wages disappear in those places now designed for highway robbery known as grocery stores or supermarkets.

This troubling situation, which President Perez greeted with strange optimism on the occasion of his annual congressional address, was reflected in the research done by Datos, Inc., for which firm Venezuelans classified in the sociodemographic profile E (the country's poorest class) comprised 45 percent of the population last year, compared with the 1987 estimate of 32 percent.

There has also been a reduction in the population group called the "middle class" (sectors C and D), which went from 25 (in 1987) to 18 percent (1990) for sector C and from 40 (1987) to 36 percent (1990) for sector D. Sectors A and B (the wealthiest groups), which made up 3 percent of the population in 1990, have dropped to 1 percent.

It should be pointed out that, according to figures released by the OCEI [National Office of Statistics and Information] and the BCV [Central Bank of Venezuela], 25 out of every 100 families belonged to the so-called higher class in 1979, while 46 were in the middle class. Ten years later, we discover that only nine of those 25 families are now in the upper strata, while scarcely 29 could boast of their middle-class status.

According to the 1989 Report on World Development published by the World Bank, only 10 percent of all Venezuelan families received over 35 percent of all family income, while 23 percent of the poorest people obtained less than 4 percent of that same family income.

Dr. Pedro Luis Castellanos of the Pan American Health Organization recently emphasized that as a result of the economic crisis that has hit Third World countries hard, the most impoverished sectors of most of those nations have not only had their access to medical care considerably reduced, but their living conditions have also deteriorated substantially, with increased unemployment, poverty, malnutrition, and deterioration of the environment, a decline in basic sanitation, access to formal education, and recreational possibilities.

"Even though the crisis has affected the majority of the population, all things seems to indicate that within that context, many countries have suffered an increase and heightening of social inequalities in terms of living conditions and health."

Castellanos said that the greatest source of inequalities is the existence of social classes.

"This means the population groups that are articulated differently in terms of the production, distribution, and consumption of goods and services and power relationships in society."

Food: Prime Factor

The study, done by the Datos polling firm, drew a profile of consumer attitudes in the country based on the way Venezuelans behave. The research shows that Venezuelans demonstrate less brand loyalty and that food absorbs most of the family budget.

The situation of accelerated inflation has forced Venezuelans to switch to lower quality products. Experts say this points toward more rational consumption, inasmuch as people are now forced to stretch their budgets, which requires planning.

While going through this so-called transitional phase, optimists make the most of the uncontrolled inflationary process, alleging that it has generated a change in consumer habits as a result of which the product or item purchased represents the exact price paid for it.

The projection last year, when the most outstanding features were the rise in food and personal care products (contrary to the perceptible drop registered by home products), allows us, the same study says, to visualize three facts to be added to the Venezuelan consumer profile in these times of crisis: the purchase of smaller products, the purchase of fewer units, and the purchase of only that which is absolutely necessary.

[Box, p D1]

Economic Indicators 1991, Venezuela

1—Population by 1991: 22 million inhabitants (verifiable) + 1.5 million (unverifiable). Growth: +3 percent

versus 1990. By the year 2000, the population will have grown an estimated 28 percent over 1989.

2—Gross domestic product: +3.5 percent, totaling 485 billion

3—1991 purchasing power: +1.5 percent

4—Level of inflation: 40 percent (average)

5—Sociodemographic profile:

AB: 3 percent (1987); 1 percent (1990)

C: 25 percent (1987); 18 percent (1990)

D: 40 percent (1987); 36 percent (1990)

E: 32 percent (1987); 45 percent (1990)

6—One-third of the labor force is "informal."

Source: Datos, Inc.